



Strategic Government Consolidation



**Onondaga Citizens League
2005 Study Report
Report No. 26**

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**STRATEGIC
GOVERNMENT
CONSOLIDATION**

*A REPORT ON
STRATEGIC GOVERNMENT
CONSOLIDATION FOR ONONDAGA COUNTY*

ONONDAGA CITIZENS LEAGUE
2005 STUDY REPORT
REPORT NO. 26

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ACKNOWLEDGEMENT

It has been a great privilege and an absolute pleasure to work with the members of the 2005 Onondaga Citizens League Study Committee. Through countless Study Committee meetings, public sessions, Thursday Morning Roundtable presentations, interviews, and sub-committee meetings, the enthusiasm and dedication of the Study Committee was unflagging. Working on an OCL Study is always a tremendous learning experience - civic education in its purest and most rewarding form. Having the opportunity to work with so many bright, talented, knowledgeable, experienced, and above all, patient, volunteers was truly a joy.

Each Study Committee Member gave value to this Report: Joe Ash, who led the Committee that conceived of and developed the study topic; Steve Barone, who told me early on that consolidation was only worth studying if it addressed issues that were central to our community; Jessica Cohen who reminded us that trust must be built before collaboration or consolidation can take place; Bob Doucette, the co-chair of the Syracuse 20/20 committee on government modernization, with whom we presented a good model of collaboration, whose passion, vision, enthusiasm, and optimism is contagious; Carol Dwyer, whose academic perspective and experience with the issue of consolidation was invaluable; Linda Henley, who enthusiastically involved the Study Committee in the Syracuse Neighborhood Initiative's Conference that brought Bruce Katz and Bill Hudnut to Syracuse; Susan Horn who reminded us that the core issues have a human face and that the issues of justice need to inform public debate; Karen Kitney, whose extraordinary knowledge of the history of local government and land use issues informs much of our Study; Dennis Lerner for his insights on the legal issues presented by consolidation and for his always insightful remarks and e-mails; Don McLaughlin for his enthusiastic and skilled facilitation of many of the Public Forums; Tony Malavenda for his dedication to the interviews of public leaders and organization of the public forums; Sarah Merrick, for her leadership of the OCL and for her help in discerning the core issues that consolidation must address; Judy Mower, for the superb background information that she provided on the forms of consolidation and for her training of the forum facilitators; Dave Moynihan, for the cogent and startling picture that he painted of the state of the finances of City and County government; Clyde Ohl for the perspective he brought to the Committee from his years of service in local government; Eric Persons for his review of the literature of consolidation and his patience in helping to edit this report; Bill Pfohl for enabling the many talents and resources of WCNY to be used to bring the topic of government consolidation to the public agenda; Patty Schmidt for her review and report on the core issues identified in the numerous other reports presented to our community over the past decade; Mary Thompson for using her skills in organizing several of the public forums; Elaine Walter for her constant and patient participation, counsel, and contributions to all facets of our Report.

I also thank Tammy DiDomenico for her dedicated involvement with the Study. Tammy attended most of the events associated with the Study and acted as our eyes and ears. Her notes and perspective inform much of the report.

I am also indebted to Vito Sciscioli, the Executive Director of Syracuse 20/20, and the Co-Chairs of the Syracuse 20/20 Government Modernization Committee, Bob Doucette and Kathy Murphy Pietrafesa, as well as the former Co-Chair, Rev. Charles J. Beirne, S.J., for working constructively and collaboratively with OCL and providing valuable resources and support to the Study Committee.

Finally, this Study could not have been completed without the guidance, experience, and constancy of OCL Executive Vice-President Sandra Barrett. Sandra is always looking for ways to make this and every OCL study more complete and informative, bring more resources to the table, introduce new perspectives, and disseminate information through new channels. No one embodies the mission of the OCL better than Sandra.

Laurence G. Bousquet
Study Committee Chair

PREFACE

The impending “train wreck” – the approaching financial crisis faced by most municipalities in Central New York – was just beginning to reach the public awareness stage when OCL selected “Strategic Government Consolidation” as the 2005 study topic. The combined harsh realities of escalating government expenses, stagnant local tax revenues, and a dwindling population base can no longer be viewed just as short-term imbalances but rather as structural problems requiring fundamental changes in the way we approach local governance.

Against this backdrop, the question of consolidation of local government was receiving increased attention. Governmental consolidation was being promoted as a way to increase efficiency and lower costs. Others perceived benefits such as including unified leadership, improved economic development, orderly land use and development and more equitable distribution of costs and resources. Some community leaders and organizations began mobilizing to address this issue. As a nonpartisan, broad-based, citizen group, OCL saw itself as well positioned to make an important contribution to the deliberative process. The stakes for the community are so high and the interest in the issue is so strong that the issue of city-county government consolidation, though a massive undertaking, was the unanimous choice of the OCL board. The result, which we hope is just the beginning of an informed dialogue on the subject, is this report.

For over 25 years, the Onondaga Citizens League has represented an outstanding example of citizen participation in public affairs in Central New York. Founded in 1978 and incorporated in 1979, OCL is an independent not-for-profit organization that encourages citizen education and involvement in public issues. The OCL’s annual study on a topic of community-wide relevance culminates in a report designed to help citizens comprehend the issue and its implications, and give decision-makers recommendations for action.

The Onondaga Citizens League is open to any resident, business or organization in Central New York. While some join to become involved in the study process, many become members to support the concept and practice of citizen involvement in the study and resolution of pressing community issues.

Thanks are due to Larry Bousquet, who as study committee chair shaped and directed the in-depth study process. Our thanks go also to Jeff Stonecash of the Department of Political Science at Syracuse University’s Maxwell School, who on behalf of OCL designed and conducted a special telephone survey of registered voters in Onondaga County. Special thanks are extended to the individual and corporate members who support the work of the League through their membership dues and financial donations, and to University College of Syracuse University, which provides the administrative and organizational support without which the Citizens League could not function.

Sandra Barrett
Executive Vice President

METHODOLOGY

The OCL Study Committee conducted a massive amount of research over a year-long study process. Research included:

- Review of several previous community studies on community goals, including earlier OCL studies, F.O.C.U.S. Greater Syracuse report, the County's 2010 plan, the Comprehensive Plan of the City of Syracuse and the Metropolitan Development Association's Essential New York Initiative;
- Face-to-face interviews with 22 community leaders, including County, City and town elected officials and business and non-profit leaders;
- A random phone survey of 301 registered voters in Onondaga County, conducted by Jeff Stonecash, professor of political science at Syracuse University;
- A written survey of over 200 elected local government officials, including City councilors, County legislators, town supervisors, village mayors, town board members and village trustees;
- Focus groups throughout the county with membership organizations including MACNY and Greater Syracuse Chamber of Commerce, Eastwood TNT (Tomorrow's Neighborhoods Today), General Electric Company Retirees, Camillus Rotary, Inner City Rotary; Homebuilders Association and Greater Syracuse Realtors Association, and OCL and Thursday Morning Roundtable.
- Reviews of the literature on the attempts at, and effects of, consolidation elsewhere (see bibliography);
- Discussions with experts on the subject of consolidation, including Bruce Katz of the Brookings Institution, Richard Hudnut, former mayor of Indianapolis, David Rusk, former mayor of Albuquerque, and Kent Gardner, president of Center for Governmental Research;
- Meetings Buffalo and Erie County officials involved in that region's City-County consolidation commission;
- A review of economic and demographic data on the region;
- A review of the history of government structure in Onondaga County; and

An analysis of the legal considerations to political consolidation.

Previous OCL Studies

- 1979 *Equality and Fairness in Property Assessment* – Co-chairs: John Searles, Margaret Charters
- 1980 *Young People in Trouble: Can Our Services be Organized and Delivered More Effectively?* – Co-chairs: Jean Reeve, Roberta Schofield
- 1981 *The County Legislature: Its Function, Size and Structure* – Co-chairs: Helen Zych, Elma Boyko
- 1982 *Declining School Enrollments: Opportunities for Cooperative Adaptations* – Chair: Margaret Charters
- 1983 *Onondaga County Public Works Infrastructure: Status, Funding and Responsibilities* – Chair: Samuel P. Clemence
- 1984 *Police Services in Onondaga County: A Review and Recommendations* – Chair: John Kramer
- 1985 *The City and County Charters: Time for Revision?* – Chair: Thomas J. Maroney
- 1986-
- 1987 *Blueprints for the Future: Recommendations for the Year 2000* – Co-chair: Robert McAuliffe, Eleanor Shopiro, Helen Anderson
- 1988 *The Role of the Food Industry in the Economy of Onondaga County* – Chair: Kay Benedict
- 1989 *Poverty and its Social Costs: Are There Long-term Solutions?* – Co-chairs: Darlene D. Kerr, Marilyn Higgins
- 1990 *Syracuse Area Workforce of the Future: How Do We Prepare?* – Co-chairs: James J. Murphy, Anne L. Messenger, Patrick A. Mannion
- 1991 *Schools that Work: Models in Education that Can be Used in Onondaga County* – Co-chairs: Georgette Cowans, Gary Grossman, Gerald Grant
- 1992 *Town and Village Governments: Opportunities for Cost-effective Changes* – Co-chairs: Carol Dwyer, N. Thomas Letham, Helen Zych
- 1993 *The Criminal Justice System in Onondaga County: How Well is it Working?* – Co-chairs: M. Catherine Richardson, James E. Introne, N. Thomas Letham
- 1994 *The Delivery of Human Services: Opportunities for Improvement* – Co-chairs: Robert McAuliffe, Janet Starr, Phillip Trainor
- 1995 *Reinvesting in the Community: Opportunities for Economic Development* – Co-chairs: Marcene S. Sonneborn, Michael J. Atkins, Donald MacLaughlin
- 1996 *Building a Non-Violent Community: Successful Strategies for Youth* – Co-chairs: Paula Freedman, Carol Cowles, Jesse Dowdell
- 1997 *Security Check: Public Perceptions of Safety and Security* – Co-chairs: Michael Freedman, Corinthia Emanuel
- 1998 *Onondaga County School Systems: Challenges, Goals, and Visions for the Future* – Co-chairs: Patricia Schmidt, Bethaida Gonzalez
- 1999 *Economic Development: Models for Success* – Co-chairs: Shiu-Kai Chin, Susan Crossett, N. Thomas Letham
- 2000 *Housing and Neighborhoods: Tools for Change* – Co-chairs: John McCrea, Joanne Reddick, Russell Andrews
- 2001 *Civic Leadership for Community Transformation* – Co-chairs: Melissa Hall, Judith Mower
- 2002 *State-of-the-Arts* – Chair: Fred Fiske
- 2003 *Mental Health Services: Access, Availability and Responsiveness* – Chair: Helen B. “Jinx” Crouch
- 2004 *Disappearing Democracy? A Report on Political Participation in Onondaga County* – Chair: Steven Kulick
- 2005 *Strategic Consolidation for the City of Syracuse and Onondaga County* – Chair: Laurence G. Bousquet

TABLE OF CONTENTS

Introduction and Executive Summary	1
Why is Governmental Consolidation an Issue?	5
History of Local Government Structure	7
Early Structural Evolution and Population Growth	7
Functional Shifts.....	8
The Harsh Realities	11
Government Revenues and Expenditures.....	11
Population and Income	14
Jobs-Economy-Growth	17
Is Government Consolidation an Appropriate Tool to Address the Most Pressing Issues Facing Our Region	23
David Rusk	23
Brookings Institution.....	24
Literature Review	26
John F. Freie	27
Kent Gardner	28
Buffalo/Erie County.....	29
Lessons Learned	32
What Forms of Consolidation Do We Recommend?	35
What About Metropolitan Government?	39
Barriers	41
Legal Issues	44
External Forces	45
Need For Consensus	45
Hopeful Signs	47
Next Steps	51

Appendices (see website <http://yeSU.syr.edu/oc>)

- A. History of Government in Onondaga County
- B. Public Opinion Poll Results
- C. Summary of Interviews
- D. Survey of Elected Officials
- E. Public Session Notes
- F. David Rusk Presentation
- G. Literature Reviews
- H. John Freie report
- I. Summary of Legal Issues
- J. “OCL Central Issues Special” Transcript

Introduction and Executive Summary

"Here we go again" was a common reaction when the Onondaga Citizens League announced its intention to study "Strategic Government Consolidation" in 2005. Contrary to popular belief, while previous OCL studies had considered the topic of consolidation of police services (1984), town and village government restructuring (1992), and cooperative arrangements among school districts (1982), no previous Citizens League study had specifically addressed the topic of metropolitan government or City-County consolidation.

When the study topic was selected in 2004, Syracuse and Upstate New York were characterized by stalled major development projects, local governments begging for more state aid, loud calls for reform of a state government seen as wasteful and dysfunctional, an exodus of young people from the region, average wages decreasing in relation to the rest of the country, increasing concentration of poverty in urban neighborhoods, and erosion of the property tax base in the central hub of the region.

Down the road in Erie County, the City of Buffalo was under the budget authority of a State control board, and civic leaders had been lobbying for a merger of city and county governments as a cure to the Niagara Region's ills. Encouraged by the success of Louisville and Jefferson County, Kentucky in passing referenda merging those local governments in 2002 (after three failed attempts in the previous 50 years), the Erie County Executive and the Mayor of Buffalo jointly appointed a blue-ribbon commission to develop a plan for merging the city and county governments. By the time the Greater Buffalo Commission issued a report calling for elimination of city government and the transformation of the city into a special services district within county government, Erie County was having its own financial meltdown, which put the County under state receivership. The merger commission report, rejected by the city administration, has been shelved.

Here in Central New York, where government consolidation has been a recurring topic of conversation, Syracuse 20/20, a private, non-partisan group of concerned community leaders, contemplated developing a blueprint for government modernization. OCL, believing a better foundation for local decision-making was needed, agreed to take on the study. OCL saw consolidation not as an end in itself but rather as an available strategy - a potential tool to help address the most pressing issues facing the community and to achieve the most important goals of the region. But before the community can seriously consider adopting consolidation as a strategy, OCL needed to determine what role consolidation is expected to perform and to research the experiences of other communities. Ultimately, the questions this study seeks to answer are:

- What are the most significant problems and issues facing this community?
- How can governmental consolidation most effectively address those problems and issues?

What did the research reveal? The Study Committee found that this community overwhelmingly believes its primary concern is the local economy and job growth. The community recognizes that the ability to address other needs - reversing population decline, increasing tax bases, raising revenue to provide and improve public services - all hinges on creating new wealth for our community - new, “good” private sector jobs.

The multitude of local governments in Onondaga County results in fragmented, piecemeal, parochial, and incomplete decision making on matters that impact the entire County. Economic growth can only happen if we in Onondaga County think, and more importantly, act, more regionally. The current structure of government is an impediment to the economic development of the region and needs to change. Government that can act regionally to address regional issues will develop a greater pride in our region, pride that extends beyond the municipality in which we happen to live, and will engender a greater interconnectedness among the citizens of our region - an interconnectedness will focus attention and resources on inequities of facilities, services, and opportunity that exist in our community.

- How we get there is, of course, a more difficult question. Several points are clear:
- There is a strong and broad-based call for change in the way our local governments function.
- The experiences of other communities indicate, and Central New York citizens agree, that change in local government structure has the potential to improve regional economic competitiveness.
- While state government and budget reform is necessary to help make Upstate more competitive, we cannot wait for state legislators to lead the way. Central New York political and community leaders and citizens' groups must begin to act now. Changing the structure of government so that local government can more effectively deal with the major issues of the region must begin at the grass roots level and many voices - political and community leaders, the local media, community groups, and local residents - will need to be heard for substantive change to occur.

OCL recommends that a process, open to public debate and public comment, begin immediately with representation from all stakeholders to develop a detailed plan for strategic consolidation of local government.

OCL recommends that the plan for strategic consolidation of local government must:

1. Empower local government to increase the region's ability to compete more effectively in the global marketplace by:
 - Creating a land use plan that is consistent and enforceable across all municipalities within the County and using land use plans to check sprawl.
 - Developing consensus on an economic development plan for the region with buy-in by all stakeholders, including local government.
 - Developing consistent "rules and tools" for project approval processes and "one stop shopping" for local, state, and federal tax incentives.
 - Facilitating the development of the City of Syracuse as a safe and diverse center for education, commerce, tourism, residential living (neighborhoods and downtown), culture, and the arts.
 - Equitably sharing local tax revenues generated by economic development activities among the municipalities within the county.
2. Recognize the attachment that the citizens of our county have to their local governments (the City of Syracuse, the towns, and the villages). Balanced demographic and geographic representation in the process of consolidation and in the resulting plan is essential to its success.
3. Reduce the inefficiencies and impediments to consistent high quality, cost-effective services caused by the service being provided at a level that is inappropriate to the nature, geographic scope, and significance of the service by realigning functions and services provided by government to the appropriate level.
4. Provide substantial incentives from New York State to overcome inertia.

Why is Governmental Consolidation an Issue?

As recently as County Executive Nick Pirro's 2004 State of the County Message, government consolidation was called for within the geographic borders of Onondaga County. The County Executive proposed a plan to consolidate the purchasing functions of the City of Syracuse and the County to generate savings of approximately \$400,000 per year. Secondly, he called for the City and County to merge their economic development offices. And finally, the County Executive called upon representatives of the Town Supervisors and Village Mayors, the Dean of the Maxwell School, the Mayor of the City of Syracuse, the Head of the County Legislature and representatives of the MDA, MACNY, the Chamber of Commerce, and Syracuse University to come together to discuss new business models for governments within Onondaga County.

The focus of the 2004 State of the County message was one that appealed to common sense:

“Today, however, as Town and Village governments have taken on services that were once unique to urban centers, the “diseconomies of small scale” became obvious. For every county, city, town and village road crew, there are people who must buy salt, process payroll, develop routing plans, spec projects, manage the workforce, repair the trucks, answer the phone, and do countless administrative tasks. That same overhead factor applies to virtually all other services. And for every municipality, there is a bureaucracy that exists just to maintain that government - a clerk, tax assessor and receiver, attorneys, and accountants. All of that is multiplied by nineteen towns, fifteen villages, a central city, and a county - plus a maze of special purpose taxing districts.”

The call was one for efficiency and rationalization of government toward the savings of tax dollars. Examples such as maintenance, repairs, and plowing of roads, back office functions like purchasing, accounting, data processing, and tax collecting were identified as areas in which consolidation would make sense.

When reading this report, keep in mind the underlying philosophy adopted by the Study Committee. The Study Committee regards consolidation as an available tool to address important issues facing the community, not as an end for its own sake. The Study Committee did not limit itself to a study of political consolidation, i.e., the elimination of one government by merger into another, but the Study Committee considered the full spectrum of choices that consolidation offers: joint service agreements; the realignment of functions at more appropriate levels of government; consolidated planning, decision making, and implementation processes; as well as the potential for political consolidation of local governments.

Because potential applications of the various types of consolidation are virtually limitless, the Study Committee determined to focus on how government consolidation could apply to the most significant issues facing the community. Thus, the Study Committee's goal was to study "strategic consolidation," consolidation as a strategy to address the core issues of the community. Many on the Study Committee began where the County Executive's message ends: they were drawn to the topic of consolidation because consolidation of government was seen as a means to more efficient, cost-effective government that could be more effective in providing services. While cost savings and efficiency are laudable goals, ultimately the Study Committee did not find cost savings and efficiency to be the most compelling reasons to recommend adopting consolidation as a strategy. If required to pick one word to describe why consolidation in the forms discussed herein is essential to the community, the Study Committee would say "regionalism".

Regionalism includes a common sense of place, unity of purpose and goals, and a sense of the common good. Regionalism is recognition of assets and resources belonging to the whole region, and thus, a willingness to address those resources in ways to remedy the problems of the whole community. Regionalism includes a willingness to act cooperatively, collaboratively, or on a consolidated basis to achieve the region's goals and address its issues. Fragmented local government structures have long fostered parochial and self-interested decision-making contrary to the long-term best interests of the region. For regionalism to succeed, regional bodies of government need to have the power to deal with regional issues. These regional bodies must be representative in composition, but need to encompass a broad enough constituency to require consideration of the good of the entire region in the deliberative process.

History of Local Government Structure

To understand why there have been consistent calls for consolidation or modernization of local government structure, it is important to understand the history of our local government. Much of the following is a summary of the report on the "Governance History of Onondaga County" prepared for this study by Study Committee member Karen Kitney, director of the Syracuse-Onondaga Planning Agency. The full report is available in Appendix A.

Early Structural Evolution and Population Growth

The structure of local government established by New York State after the Revolutionary War followed the pattern of English colonial administration. In 1794, counties and towns were created to serve the administrative needs of the state. Counties were responsible for the administration of justice and towns were the taxing units responsible for funding the county circuit court. Onondaga County was originally about four times larger than it is today; the area was trimmed to permit settlers to reach the county seat in a day's ride and thus, Cayuga, Cortland and Oswego counties were created. Onondaga County was ultimately divided into 19 towns.

Towns were soon assigned responsibility for care of the poor, road building, and education. Town supervisors met annually as the County Board of Supervisors and were authorized to fund public projects including the Court House on Onondaga Hill in 1818 and the Poor House in 1827.

New York State chartered villages and cities at local request. Villages and cities were empowered to fund and provide additional services to areas of denser population. The Village of Syracuse was incorporated in 1825 and joined with the Village of Salina in 1847 to become the City of Syracuse. Syracuse grew by annexation of the villages of Geddes, Eastwood, Danforth, and Elmwood, and lands from the towns of Salina, DeWitt, Geddes, and Onondaga. The City of Syracuse emerged as the commercial center for Onondaga County based on the growing salt industry and the Erie Canal. Wealth and population moved from agrarian towns to the industrial city. Between 1850 and 1920, Syracuse grew in population from 22,000 to 172,000 and town population grew from 57,000 to 64,000.

After 1945, wealth and population moved again, this time from the City to the suburbs, and the move led to new shifts in administration and funding of local government functions. Federal policy and programs (public housing, FHA mortgages and redlining, and Urban Renewal) soon resulted in the concentration of poverty in all U.S. cities including Syracuse. The federal and state funding of highways and of suburban water

and sewer systems provided incentives for the middle class to move to the suburbs. The population of the City peaked in 1950; by 1970 the majority of the County's population lived in the towns.

Functional Shifts

Government structure remained mostly unchanged from the late 18th Century through the 20th Century but responsibility for various functions continues to evolve with the changing distribution of population, wealth, and demand for services. Some functions, previously the responsibility of the towns, shifted to the county and the larger tax base, e.g., the County Highway Department was created in 1910 and the Department of Social Welfare took over responsibility for the poor in 1938.

Beginning in 1830 but particularly after 1900, New York State encouraged consolidation of the rural school districts with fiscal incentives. Prior to consolidation, a number of the towns had as many as 20 school districts each. In Onondaga County, there are 18 districts entirely within the County and a number of others that overlap county boundaries. All but the Syracuse City School District operate independently from local governments.

In 1961, Onondaga County adopted a home rule charter to replace the Board of Supervisors with a County Executive and Legislature to administer increasingly complex responsibilities. That year the City Health Department merged with the County Health Department. The County has assumed responsibility for funding of certain regional facilities including the Public Library, War Memorial, Civic Center, OnCenter Convention Center, Zoo, Stadium, Van Duyn Home and Hospital, Onondaga Community College, the Justice Center, New Court House, and the Forensic Science Center. The County maintains assessment records, equalization and apportionment of the county levy, tax billing, and training for the city, towns, villages, and school districts. The County administers New York State Civil Service Law for all municipalities, school districts, special districts and authorities within Onondaga County.

Responsibility for real property assessment and tax collection falls to the City and towns. The City provides many facilities and services including schools, parks and street trees, police and fire fighters, street lighting, sidewalks, public water and hydrants, sewers, trash collection, and storm water detention through its real property tax base and through the collection of fees (e.g. street cleaning, sewers, and some street repairs). Most towns fund these facilities and services through special districts based on revenues. The provision of facilities and services also necessitates transfer payments from the State.

Special Districts and Authorities have become important in operating and or funding countywide and town infrastructure including water systems (Onondaga County Water District, Metropolitan Water Board, OCWA), wastewater transportation and treatment (Onondaga County Consolidated Sanitary District), public transit (CENTRO), solid waste collection and resource recovery (OCRRA). Towns have created over 1,400 special districts for water, sewer, lighting, hydrants and drainage unique to individual subdivisions and industrial developments.

Onondaga County government presently provides or administers services in four main areas:

- Municipal-type services (road maintenance, parks, police);
- Metropolitan Services (criminal justice, jails, penitentiary, juvenile detention, district attorney, police and fire dispatch, probation, medical examiner, crime lab, planning, emergency management, real property tax administration, civil service administration, wastewater treatment, water supply (Lake Ontario water), public health programs);
- Non-Mandated Human Services (mental health programs, Van Duyn Nursing Home, infant mortality programs, community college, support for arts and cultural agencies); and
- Mandated Human Services (Medicaid, public assistance, food stamp program, foster care, day care, education and therapy for PreK handicapped children, legal aid).

Planning and governing structures are not integrated. City, town and village governments have authority for planning and regulation of land development while Onondaga County and New York State are responsible for provision of infrastructure and transportation systems (highways, water, and wastewater) that support urbanization. Planning decisions are made by 35 local governments involving over 700 elected and appointed officials on 105 legislative, planning, and zoning boards.

The Harsh Realities

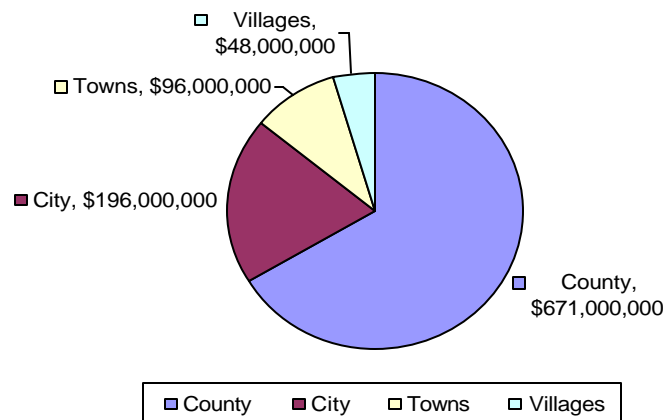
Government Revenue and Expenditures

David Moynihan, study committee member and independent auditor for the City of Syracuse, County of Onondaga, and the Syracuse City School District, has put it bluntly - "Something has to change because government is going broke. On June 30, 2004, the City of Syracuse had an imbalance of \$69 million dollars between its long term obligations and its assets at hand. The County has about \$8 million dollars of surplus representing only 1% of its revenue. Local governments generate about 55% of their revenue between sales tax and property taxes; these sources of revenue have been absolutely stagnant over the past 10 years in both the County and the City except for sales tax and property tax rate increases. Our local governments will only survive if they can find a way to drive economic growth."

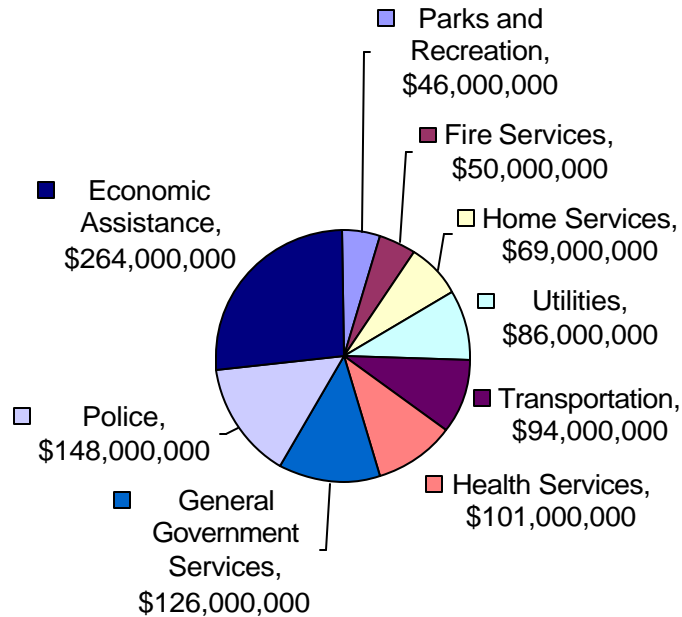
Mr. Moynihan, Joseph Mareane - Chief Fiscal Officer for the County, and Kenneth Mokryzski - Director of Administration for the City, provided additional substance to the concerns voiced by Mr. Moynihan at a University College sponsored Thursday Morning Roundtable presentation:

- Local government is a \$1 billion business in Onondaga County. In 2003, local governments in Onondaga County spent \$1 billion for current operations: County - \$671 million, City - \$196 million, Towns - \$96 million, and Villages - \$48 million. The funds are spent as follows: \$46 million for Parks and Recreation, \$50 million for fire services, \$69 million for home services (sewer and water), \$86 million for utilities, \$94 million for transportation, \$101 million for health services, \$126 million for general government services, \$148 million for police, and \$264 million for economic assistance.

Municipality Expenditures



Government Expenditures



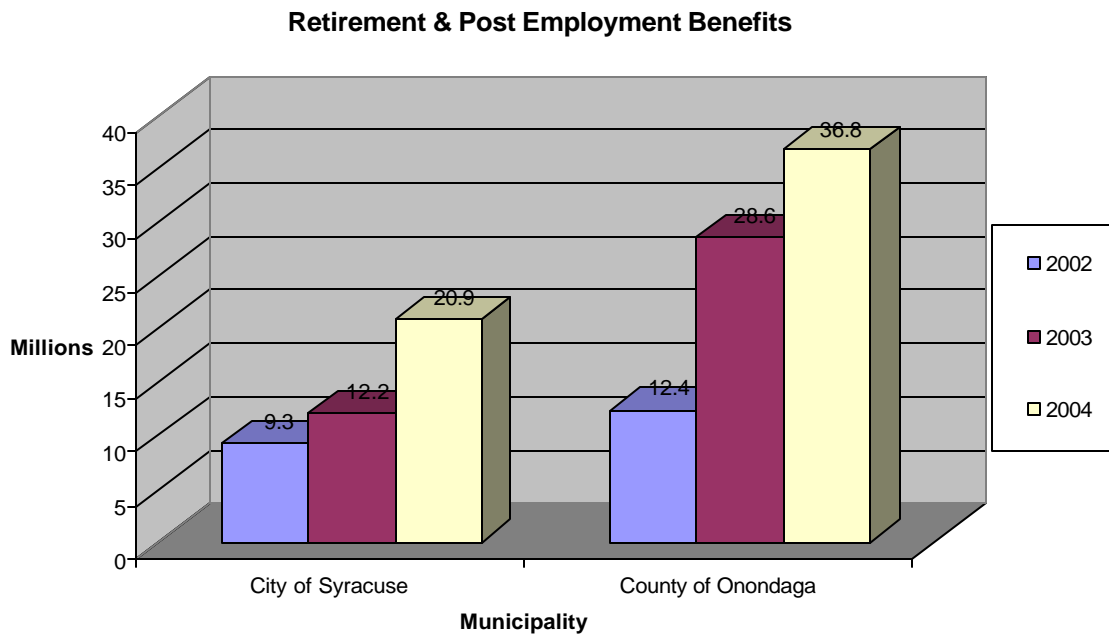
Parks and Recreation	Fire Services	Home Services
Utilities	Transportation	Health Services
General Government Services	Police	Economic Assistance

- The Total Revenues for the City of Syracuse for the 2000 - 2004 fiscal years were \$142.4 million, \$143.8 million, \$143 million, \$149 million, and \$152.4 million, respectively. Total Revenues for the County of Onondaga for the 2002 - 2004 fiscal years were \$645.8 million, \$624.4 million, and \$677.6 million, respectively.

Municipality	Revenue (millions)				
	2000	2001	2002	2003	2004
City of Syracuse	\$142.4	\$143.8	\$143.0	\$149.0	\$152.4
County of Onondaga	-	-	\$645.8	\$624.4	\$677.6

- The increases in revenues for both the City and the County are largely attributable to property tax rate increases and sales tax rate increases. With a stagnant Upstate New York economy, tax revenue can only increase through rate increases.

- Sales tax revenue is a large percentage of both the City and the County Revenues \$49.3 million for the City (32.4%) and \$97.7 million for the County (14.4%)(2004 fiscal year). Together, property taxes and sales taxes account for 55% of the General Fund revenues of both the City and the County.
- The speakers observed that a slow economy results in an increase in human service costs and a decrease in sales tax revenue, and, conversely, a robust economy increases sales tax revenues and decreases human service costs.
- Expense increases for the City and the County are vastly outpacing any revenue growth:
 - Retirement plan costs have increased approximately seventeen fold since 2001. The sum of retirement and post employment benefits for the City for 2002, 2003, and 2004 has increased from \$9.3 million in 2002 to \$12.2 million in 2003 to \$20.9 million in 2004. The same costs have increased for the County from \$12.4 million in 2002 to \$28.6 million in 2003 to \$36.8 million in 2004.



- \$ The County's cost of Medicaid has increased approximately \$45 million from 2001.
- \$ Post employment benefits for the retired City employees have nearly doubled from 2002 to 2004 (\$6.7 million to \$11.4 million).

\$ Health care costs are increasing annually at a double digit percentage rate.

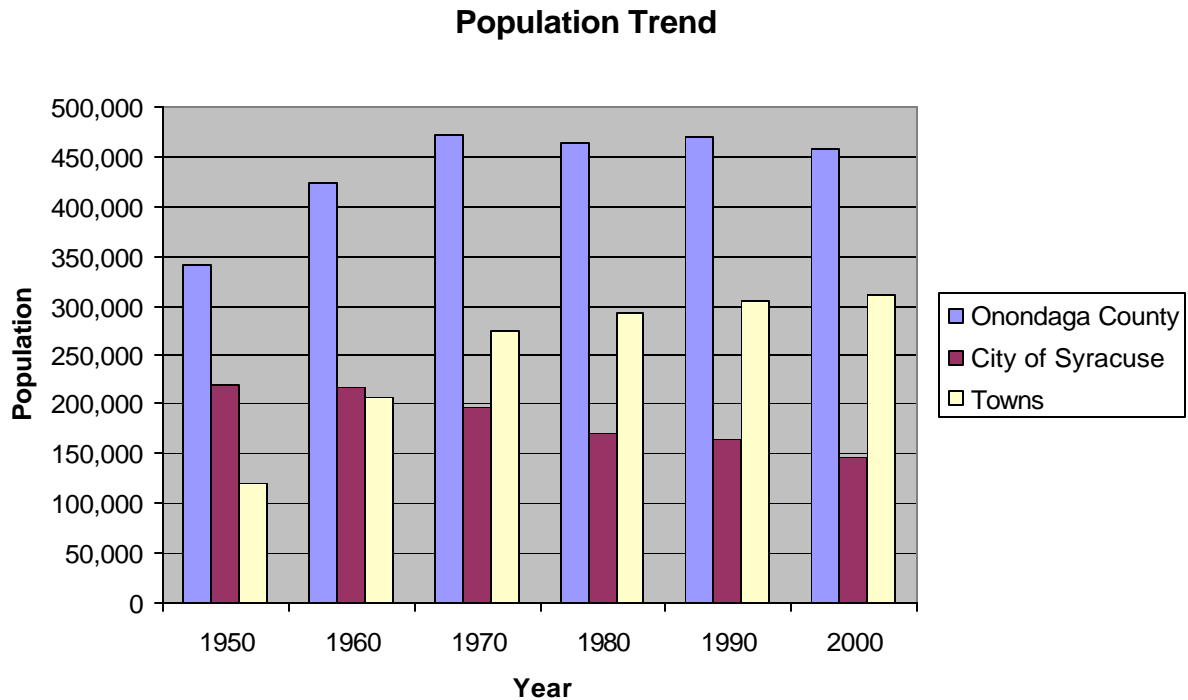
- The County's budget for 2005 was projected at \$751 million. The County presently employs 4,200 people (about 17% fewer than ten years ago). Of the County's present budget, Department of Social Services administration and programs constitute \$262.3 million. Medicaid constitutes approximately 53% of DSS program costs, having increased from \$54 million in 2001 to \$89 million in the 2005 budget year. During that same period, the local share of mandated programs (the percentage of mandated programs supported by local tax dollars) has increased from 38% to 49%. Also, during that same period the County's pension costs increased from \$1.4 million to \$23.8 million in 2004 and \$22.2 million in 2005.
- The 2004/2005 budget for the City of Syracuse is \$221.1 million and the budget for the Syracuse City School District is \$248.2 million.
- The City, the County, and the City School District depend on aid from the State to balance their budgets. The variability of State aid is a tremendous challenge to the City, the County, and the City School District.

Population and Income

Population in the City of Syracuse peaked at 220,583 in 1950. Since then, the number of City residents and households has continued to decline along with the housing stock and tax base. Onondaga County's population peaked at 472,853 in 1970. The 1970 census was the first census in which a majority of county residents lived in the towns rather than in the City since 1890. Dramatic changes in Onondaga County economic base began in the mid 1960s when General Electric began moving jobs out of the area. Job losses felt initially in manufacturing spread to other sectors of the economy. In the early 1990s, over 30,000 jobs were lost in Onondaga County. This job loss coincided with the national recession.

The 2000 census showed a county-wide population loss of 10,600 and a City loss of 17,000. These losses reflect the impact of the job losses in the early 1990s and the continuing geographic expansion of urbanized areas in Onondaga County and the movement of residents from the City to suburban towns. This phenomenon of urban growth into the towns without population growth is known as "sprawl". By 2000, the county population had decreased to 458,336 and the City population had dropped to 147,306. Estimates from the 2004 census show an approximate increase of 1,500 in the County while City population is down by about 4,200. While the median national growth rate for cities with populations over 100,000 was a positive 8.7% from 1990 to

2000, like other northeastern cities, older cities, and cities with large manufacturing bases, Syracuse absorbed a significant decline in population (-10.1%).



Of serious long-term significance is that young adults and young families account for a large share of the out-migration from the region. This age group is the most mobile in seeking economic opportunities and the trend which began in the early 1970s spiked in the 1990s. The loss of young adults is particularly significant in that it results in declining school populations in many school districts in Onondaga County. Population projections, prepared by Cornell Institute of Statistical Research, suggest continuing population decline unless major shifts in economic trends occur. If the trends continue as projected, within a decade there will not be enough people to fill jobs. Census projections indicate that in the next 25 years the population of Onondaga County will decline by 12% from an estimated 451,366 in 2005 to 398,596.

The statistics concerning personal income are no rosier than those concerning population. Personal income in Upstate New York grew at just half the national rate in the 1990s and half of the growth was accounted for by increases in Social Security, Medicare, Medicaid and the Earned Income Tax Credit. Upstate New York's highest income households earn substantially less than the national average and lowest income households saw little growth in the 1990s. Upstate New York's cost of living does not make up for these lower than average incomes. Food and utilities are higher than the

national averages as are transportation costs, sales taxes, income taxes, and property taxes. Hour for hour, Upstate workers receive lower wages than people of similar age, race, sex and education nationwide. Upstate workers also work fewer hours and a smaller percentage of adults participate in the workforce. Central New York had the lowest employment growth in Upstate New York and a decline in real wages per job.

As one would expect, the lack of economic opportunity has resulted in concentrations of poverty. Poverty rates for families, individuals and children and the concentration of poverty grew in Upstate New York in the 1990s while, nationwide, rates decreased. Low wages contribute to increase in poverty rate - nearly 2/3 of non-senior households below the poverty line have at least one part-time worker and over 40% of non-senior households below the poverty line have at least one full-time worker.

It is also worthy of note that over half of the City's real property, based on area and full value, is tax exempt. The City's major employers include hospitals, higher education, and government, all of which are exempt from property taxes (the three largest employers in Onondaga County are Upstate Medical University, Syracuse University, and Onondaga County government). While exempt from property taxes, these employers, especially the so-called "eds and meds", located within the City, are major engines of the Central New York economy.

Jobs - Economy - Growth

In light of the harsh realities of population decline, sprawl, increases in concentrated poverty, out-migration of well-educated young adults, and the transformation of the Upstate economy away from a traditional manufacturing base, it should come as a surprise to no one that jobs and the lack of economic growth in the local economy is perceived as the most important issue facing the region.

OCL commissioned Professor Jeff Stonecash of the Maxwell School of Citizenship at Syracuse University to conduct a telephone poll of registered voters in Onondaga County (see Appendix B). The 301 registered voters surveyed are reflective of the total population of registered voters in demographics, party enrollment, and area of residence.¹

The voters surveyed were asked an open-ended question - what do you think is the most important issue facing this area at this time? Jobs/lack of jobs/local economy/lack of growth was the answer provided by 43% of the respondents. Crime/drugs/public safety came in a distant second at 17.8%. Education and schools was the answer given 8.7%. Taxes/property taxes was perceived as being the most important issue by 8% and the Pyramid Company’s Destiny project was the answer provided by 7% of those polled.

Issues	Percentage
Lack of Jobs/Local Economy Lack of Growth	43%
Crime/Drugs/Public Safety	17.8%
Education and Schools	8.7%
Taxes/Property Taxes	8%
Destiny Project (Pyramid Company)	7%

When asked whether things in the area are headed in the right direction, 53.5% said things were headed in the right direction and 33.9% perceived that things were headed in the wrong direction. When a more specific question was asked about the local economy, only 19.6% thought the local economy was improving and 78.5% thought the economy was either staying the same (34.6%) or declining (43.9%). The local economic situation led 76.5% of respondents to worry a great deal (25.3%) or to worry somewhat (51.2%) about the value of their homes. Only 19.3% of those polled do not worry about the value of their homes.

Economy	Percentage
Headed in the Right Direction	53.5%
Headed in the Right Direction	33.9%
Local Economy Improving	19.6%

Economy		Percentage
Local Economy Staying the Same	78.5%	34.6%
Local Economy Declining		43.9%
Do not Worry about Value of Home	76.5%	19.3%
Greatly Worried about Value of Home		25.3%
Somewhat Worried about Value of Home		51.2%

On the issue of population growth, 72.1% of those polled thought that lack of growth was either a serious problem (39.9%) or was somewhat of a problem (32.2%). Only 26.9% thought that the lack of population growth was not much of a problem.

The primacy of the jobs/economic growth issue was echoed in the interviews given by 21 key political and community leaders. The interview subcommittee conducted in-depth interviews with 14 political leaders, 1 labor leader, 1 media leader, 2 education leaders and 2 business leaders. The group of interview subjects included 8 women and 3 persons of color, 1 town supervisor, 3 state representatives, 1 member of congress, the county executive, the mayor, 2 City councilors and 3 county legislators. The taped interviews sought to understand the interview subjects positions in six main areas: goals for the community, issues and barriers to achieving goals, recommended changes to government, perception of the idea of government consolidation, types of consolidation that the interview subject favors, and willingness to devote personal or political capital to achieving consolidation. Interview subjects were assured that no quote would be specifically attributed to him or her. A summary of the interviews can be found in [Appendix C](#).

Again, the strong leader in the area of goals and priorities was the issue of economic development and jobs, which was chosen as the primary goal or priority by 13 of the interview subjects. The issue of neighborhoods and housing was identified by 7 interview subjects. Schools and education was the chosen priority of 5 interview subjects. Working together/better communication was a stated priority of 3 subjects and working towards equality of opportunity, a more vibrant city and keeping taxes down were identified by 2 interview subjects each. Other identified priorities included creating partnerships with academic institutions, the convention center hotel, creating a regional airport authority, public safety issues, regional land use and cleaning up Onondaga Lake. It should be noted that a number of the interview subjects had more than one goal or priority.

The results were similar when 217 local elected officials were surveyed (89 returned the survey; see [Appendix D](#)): 40% of the public officials agree that jobs and economic development is the most important issue facing the community. Public officials were more likely than the public to see taxes as the most important issue (19.5% vs. 8%) and were much less likely to be concerned with public safety and crime issues (2% vs. 17.8%) and education (0% vs. 8.7%). It is instructive to note that only 4% of the elected officials

surveyed represent City government; county legislators, town supervisors and board members and village mayors and trustees represent the vast majority of those surveyed.

On the issue of population growth, only 18% of elected officials saw stagnant population growth as a serious problem. This is at odds with the voting public, 40% of whom perceived that stagnant population growth is a serious problem. In addition, only 28.1% of elected officials believed that the local economy has declined in recent years, while 43.9% of voters surveyed believed that the local economy has declined. Finally, 61% of the elected officials surveyed don't seem to worry about the value of their home versus 19% of the voters surveyed.

The most prominent issues to come to the surface in the 11 facilitated forums held throughout the community by our study committee mirrored the issues identified by registered voters, community leaders and elected officials:

- The most pressing issues mentioned in surveys were taxes, schools/education, public safety and violent crime, lack of economic development planning, and lack of vision for the region/community.
- Loss of jobs and continuing population decline, particularly the exodus of young people, were also cited frequently.
- Issues that were mentioned more than once at the public sessions included: high energy costs; health care; racism; concentrated poverty in the City; the lack of communication and/or cooperation between local politicians; the need for more jobs, educational, and recreational programs for local youth; a sense of negativity in the community; duplication of services; Destiny; poor housing in the City; and the role of the City in the region's identity.
- See Appendix E for Public Sessions Notes

Registered voters, elected officials, and community leaders all agree that the vitality of the region depends upon a robust and healthy city. Both registered voters and elected officials were asked the question "how important is it that the City of Syracuse is in good shape economically for the overall future of the county?" Over 80% of registered voters said that an economically healthy city was either crucial (41.9%) or important (40.2%) to the future of the county. Only 3.8% of registered voters thought that an economically healthy city was not that important to the future economy of the county. The reaction does not vary significantly by party enrollment, area of the county or education level. The fact that there is a consensus among voters on the importance of the City to the region is a critical point of agreement. When the same question was asked of elected officials, 64% said that a healthy

city was crucial (34%) or important (35%) to the future of the county. Only 1% of elected officials thought the health of the City was not that important.

Future of City of Syracuse	Percentage
Economically Healthy City is Crucial	41.9%
Economically Healthy City is Important	40.2%
Not that Important	3.8%

Leaders whom the OCL Study Committee interviewed had differing perspectives on the relationship between the City and the county. One interview subject reflected that when he was a child “the City was a booming, bustling city and we were the burb’s, the sticks. But everything has flip-flopped and now the suburbs are the main areas, and, what do you go to the City for?” Another leader echoed a commonly held “unstated” agenda of county residents - “there is an underlying perception by some in the community at large that we should just as soon keep the City where they are. There is a fear element.” Another leader put it this way “I think that consolidation is actually a threat to some people because they see that some of the things that contribute to a good life in the suburbs might be threatened by complete consolidation.” While some leaders thought that the county residents would fight consolidation, others thought that City residents would fight it “until the end”. According to this leader, “the reason is that the people who live in the county, and I don’t want to make this a broad generalization, but I don’t think that they care to understand the difference, the needs of the City.” This leader also observed, “we need to start taking care of the City because it is important to all of us to take care of the City - it is important to this region. Until people start feeling that, I don’t think we will get metropolitan government.” And finally, one leader said that there could never be consolidated government between the City and the County, “not in a million years. Why? Because they don’t believe the County Legislature is going to take care of them.”

The empirical financial data shows a struggling City with a diminishing population and tax base, with concentrations of poverty and concentrations of tax exempt property, with an industrial base that has either left for the green fields of the suburbs or that has totally left the region. Of course, the “unspoken issues” to which the interviewed leaders refer are the issues of race, class, and poverty. The demographic fact of Onondaga County is that the suburbs and rural Onondaga County are predominately white and the City of Syracuse is racially and culturally diverse and contains the principal concentrations of poverty and public safety, violent crime and drug issues.

The Study Committee agrees with the experts on economic development, the polled registered voters, and elected officials surveyed - the economic health of the City is critical to the future of the region. This is not to say that governmental consolidation of the City with the county is the silver bullet to the ills of the City. The fiscal data of the County is only marginally better than that of the City. The central, critical point is that the challenges

facing the region are not City versus County, village versus town, town versus City, or town versus County, but they are the challenges of competing for jobs and economic growth in a national and world economy that has dramatically changed since Syracuse's glory years in the first half of the last century. The trend lines have been so long and pronounced, the Study Committee believes that to finally break the cycle of decline all stakeholders - local governments, business and education leaders, economic development organizations, state and federal governments, citizens groups, and citizens, need to be "in the same boat paddling in the same direction." Local government needs to be structured so that it can most effectively address regional issues that have the most impact on job growth and economic competitiveness. Until we recognize that we must begin to communicate, cooperate, collaborate, and perhaps, consolidate toward a common mission, we will continue our decline as a region.

Is Governmental Consolidation an Appropriate Tool To Address the Most Pressing Issues Facing Our Region?

David Rusk

David Rusk, former mayor of Albuquerque, makes a strong argument that a full legal and political consolidation of City and County government makes no sense in New York State. When asked why, he responded as follows:

“There have been 33 city/county consolidations in this country since 1805 when the City of New Orleans and Orleans Parish first consolidated. In all those cases the central city consolidated with the surrounding county and in all those cases there was always vast amounts of unincorporated land out there in the county. . . . County government in those situations in those states was the general government for all of that area. In effect when you had the central city consolidating with the county government all that unincorporated territory and all the things on it were a dowry that the county was bringing to the marriage with the city. It was adding to the resource base of the city. It was like a giant annexation by the city.

There is not one square foot of New York State that's unincorporated. There's not one square foot of territory in New York State where county government is the general municipal government. Again, let's look back on the national experience. In those 33 consolidations there were 11 instances in which there were already other independent municipalities established. Not a single one of those independent municipalities anywhere ever merged into the consolidated entity.

You go to Jacksonville, Deauville County, there's still Baldwin and the three beach communities. You go to Nashville, Davidson County, there's still six small independent municipalities. You go to Indianapolis, there are three independent municipalities and 15 townships that still exist. You go to Louisville, Jefferson County for consolidation of one-third the county for the City of Louisville, one-third of the county was unincorporated land, one-third of the county was in 92 different independent municipalities. Not one of those 92 voted into the merger.

From that point of view there is zero prospect that if Buffalo were to join with Erie County that any town or village would join in. So, nothing gets added to the Buffalo equation. It just makes no sense in that context. People who talk about merger of governments in these little box states are getting confused by empty form over the substance.

City/county consolidation is another name for one humongous annexation by the central city and that absolutely cannot happen in this state.”

Rusk's argument is straightforward; the "little boxes" of New York State's local governments, the 1,545 cities, villages and towns contribute significantly to minimal growth and wealth and income in New York's metropolitan regions, the deterioration of central cities and inner-ring towns and the inability of "little boxes" governments to mobilize the full resources of the region to compete effectively with "Big Box" regions elsewhere.

Rusk points to the fact that New York's legislature has delegated land use planning and the zoning authority to the 1,545 municipalities without state standards for regional growth management as being at the core of the economic malaise. According to Rusk, this is exacerbated by making the municipalities dependent upon local property taxes which pit local municipalities against each other in the battle for tax revenues. Rusk sees the solution in legislative action aimed at ending intermunicipal conflict, wasteful duplication of infrastructure expenditures, accelerating regional economic growth and sharing the benefits of such growth among the municipalities.

The form of consolidation favored by Rusk is consolidation of planning, power, and implementation at the county level through legislative action at the state level. Rusk feels that the key question for our metropolitan areas is “what gets built where for whose benefit?” He is emphatic that the Byzantine patchwork quilt of land use planning and zoning authority in New York State puts Upstate New York at a competitive disadvantage with other regions where the governmental structure enables decision making at the regional level. See Appendix F for David Rusk presentation.

Brookings Institution

Bruce Katz, Director of the Metropolitan Policy Program of the Brookings Institution also focused on urban sprawl. Population in Upstate cities declined from 1980 through 2000, while population in Upstate towns grew during that same period. Despite stagnant population numbers urban land in Upstate New York grew from 1982 to 1997 from 1,433,000 acres to 1,858,000 acres. According to Katz, sprawl hinders a city's ability to compete for educated workers, create additional tax burdens, and adds to persistent concentrated poverty. Economic success relies on attracting and retaining highly educated people. Innovation and creativity drive the economy and success requires large numbers of people with high skills and college education. According to Katz, the most successful cities and metropolitan areas have the highest numbers of educated workers and share the following qualities: thick labor markets, vibrant and distinctive downtowns, plentiful amenities, and a positive, tolerant culture.

The costs of sprawl are, according to Katz, well researched and well recognized. Low density development increases the demand for new schools, roads, public facilities, sewer and water extensions and increases the costs of key services such as police, fire and emergency personnel. It is intuitive and also well documented that significant capital cost savings are derived from a community that has planned its development to result in higher population density. The increase in concentrated poverty that results from sprawl cannot be underestimated. Katz recites the familiar bleak statistics: in Upstate New York cities home ownership is dropping; housing vacancy rates are rising; 75% of city housing was built before 1960; income growth lags the national average; child poverty rates are three times that of the towns; city property tax bases fell in the 1990s; and city tax rates exceed that of towns by 60%.

Katz's formula for fixing Upstate cities includes five basic pieces: (1) fix the basics; (2) build on assets; (3) create neighborhoods of choice; (4) build family wealth; and (5) influence metropolitan growth.

At the core of Katz's argument, are two principles: (1) how a region grows physically affects how the region prospers as a community - "density and compact development and quality of place matter in the knowledge economy" and (2) local governance makes a difference in how a region grows - "in a changing economy, regional cohesion and less governmental fragmentation are hallmarks of smart governance."

According to Katz, "sophisticated new research by Jerry Paytas of Carnegie Mellon University concludes that metropolitan fragmentation exerts a statistically significant negative impact on competitiveness and weakens long term regional performance. This makes intuitive sense. As Paytas argues,

"How well a region organizes and utilizes its assets and resources is the key to its ability to compete and to respond to change. Long term competitiveness requires flexibility and fragmented regions are less likely to mobilize the consensus for change. Fragmented regions divide the regional constituency, offering opponents of change more opportunities, forums and even institutional support to resist change."

Katz would argue that Central New York does not do well on this score. In Onondaga County alone, there are 19 villages, 15 towns, a city, and a county municipality each with their own land use and zoning powers. Katz also points out that with New York's reliance on property taxes, each of the municipalities spends significant resources competing with each other for development and tax revenues rather than working together for regional growth and prosperity. In a world where globalization of business has increased the mobility of capital, our region must compete with regions around the world for investment and skilled workers. Gone are the days when we can rely on the

manufacturing sector that was the core of our economic life for the first three-quarters of the last century. Fragmentation of government and local intergovernmental competition puts our region at a major disadvantage in competition for capital and skilled workers for the so-called “new economy”.

Literature Review

The review of the academic literature of consolidation written by Eric Persons for this study, “The Impact Local Government Consolidation has on Community Goals: Experiences in Other Regions” (see [Appendix G](#)), states that the articles generally suggest that efforts to consolidate various government structures and political processes has achieved improved regional land use and economic development planning, while also improving the level of state and federal funding available to metropolitan communities. But, we are cautioned that government consolidation is by no means a silver bullet for the ills of our region.

Though empirical evidence suggests that the level of government fragmentation does influence metropolitan economic competitiveness, too many different political, economic and social factors make it difficult to collect reliable data. An acceptable approach to studying consolidations impact on growth is still developing within the scholarly/public policy community.

The review of the literature of consolidation also reveals that city/county consolidations do not, in general, save money or improve efficiency, and may in fact increase the cost of government and reduce efficiency because

- it is more difficult for one consolidated government to provide services to a larger, more diverse metropolitan population than it is for smaller units to provide services to smaller populations
- not all public services cost the same, thus, not all will achieve economies of scale from consolidation
- duplication of services does not necessarily create inefficiency, and in fact in some cases is demonstrated to cost government less and be more efficient
- economies of scale and greater efficiency are more easily achieved through consolidating specific local government services and/or through intergovernmental cooperation.

Much of the literature of consolidation debunks the idea that some of the most notable examples of consolidation are metropolitan governments. As noted earlier in our summary of Rusk's presentation, the consolidations in Indianapolis and Louisville are not examples of metropolitan governments but really represent city/county structural consolidations.

Persons also cautions us not to underestimate the difficulty in achieving political consolidation. Fewer than 15% of proposed city/county consolidations succeed and those that succeed generally come after repeated failed attempts. In any political consolidation of a city with the county redistricting safeguards are essential to ensure minority representation otherwise the political consolidation will tend to diffuse the political influence of minorities.

John F. Freie

A subsequent literature review, "The Case for Government Consolidation." prepared for Syracuse 20/20 by John F. Freie, professor of political science at LeMoyne College ([see Appendix H](#)), summarizes the history of government consolidation in the United States and the lessons learned from those cases, as well as the arguments for and against government consolidation.

The literature suggests that various types of consolidated arrangements can enhance land use planning, equitable distribution of resources, economic competitiveness and smart growth policies that limit sprawl, and may also be linked to the revitalization and rebuilding of downtowns. All discussions of consolidation warn that it is not a cure all, but can be a positive step in the right direction. Even when attempts at consolidation do not lead to merging of municipalities, discussions of consolidations can lead to useful discussions of fundamental community issues. Additionally, discussion of regional issues in open, public forums could help to create a sense of regional identity and greater cooperation, rather than competition.

Based on the experiences of cities that have regionalized government in one form or another, Freie notes that consolidation requires a concentrated, organized and sustained effort involving a broad coalition of support over several years. In addition, state action is necessary depending on the type of consolidated arrangements contemplated

Kent Gardner

Kent Gardner of the Center for Government Research, a Rochester-based think tank that has studied real and potential consolidations, also sounded a cautionary note on the subject of governmental consolidation. Gardner asserted that:

1. Current government structure does not allow for an easy transfer of responsibility.
2. To achieve any consolidation it is essential to have agreement on the goal of consolidation.
3. The traditions of local government are strong, and the process of consolidation can be distracting from other critical issues.
4. Cost savings from consolidation are illusory, leveling up salaries and services when consolidating departments almost always results in initial cost increases.
5. The direct link between consolidation of government and economic development has not been empirically proven (though rationalizing service delivery which can lead to development initiatives and rationalizing land use laws may be the most important reasons to consolidate, according to Gardner).

Buffalo/Erie County

The Study Committee was fortunate to have a real life example of attempted city/county consolidation in neighboring Buffalo. The attempted plan of consolidation for Buffalo and Erie County was prompted by the serious fiscal woes for the City of Buffalo and historic patterns of sprawl and out-migration from the city to the suburbs.

Representatives of the Syracuse 20/20 Government Modernization Committee and the Study Committee met with John Sheffer, Executive Director of the Institute for Local Government & Regional Growth at University of Buffalo; Bill Greiner, former President of the University of Buffalo and Chair of the Greater Buffalo Commission; Ken Vetter, Buffalo Chamber of Commerce; Bruce Fisher, Deputy County Executive, Erie County; and Eva Hassett, Chief of Staff to the Mayor of Buffalo over a period of two days in March of 2005.

What follows is, first, a summary of the process and the proposed consolidation (borrowed liberally from information written by the Greater Buffalo Commission) and, second, the Study Committee's findings in relation to the Buffalo/Erie County effort:

- In the Spring of 2004, the Erie County Executive, the Mayor of the City of Buffalo, the Chairman of the Erie County Legislature and the President of the Buffalo Common Council called for a Commission to review the advantages and challenges of merging the City and the County. An 11-member non-partisan Commission comprised of local elected officials and citizens was created.
- The merger proposed by the Commission would merge only the City of Buffalo and the County of Erie - the 43 remaining cities, towns and villages would remain independent. School districts are not part of the proposal. The merger would not affect services, taxes or governance in any of the other municipalities or districts.
- As New York State law currently allows for only four distinct kinds of municipal governments, cities, towns, villages and counties, the Commission concluded that an "alternative form of county government" is the best legal structure for the "merger".
- Legal counsel for the Commission concluded that merging the City and the County is legally possible and that a change to the New York State Constitution is not required. Counsel advised that the State legislative bodies and the Governor will need to enact legislation to permit a local referendum on the issue. The Commission drafted an extensive, annotated piece of legislation for consideration at the State level and by the voters in the City of Buffalo and Erie County. The referendum would

have been a "split" referendum where it must have received 50% approval within the old City limits and 50% approval in the balance of the county.

- In the proposal, the City of Buffalo would be maintained as a formal entity for fiscal purposes and would transfer its functions to the modified form of county government.
- The merger report calls for merging functions - chief executives, legislative bodies, budget, law, tax collection, finance, comptroller, assessment, clerk, public works, technology, planning and road patrol functions, and other functions.

This proposed new county government would have a dual service and taxing system:

- A General Service Area consisting of all of Erie County - the new county government would provide all of the services currently provided to Erie County residents (e.g., state mandated health and human services, as well as parks, road maintenance, and cultural attractions).
- People who live in the City of Buffalo would continue to receive countywide services (because City of Buffalo residents are county taxpayers, too), but they would also continue to pay for their own services. The merger proposes a "Municipal Services District" (with the same boundaries as the current City) - so that people within the district would continue to pay for services within the district.

The only governing bodies consolidated are the governing bodies of the City of Buffalo and Erie County. Other local governments in Erie County would retain their independent status and would continue to elect their own supervisors, mayors, boards, and councils. The initial enabling legislation called for a countywide governing body of 21 legislators to assume the duties of the current 15 Erie County Legislators and the 9 Common Council Members. All 21 members would vote on countywide issues. Only city based legislators would vote on service and taxing issues for the new Municipal Service District.

Under the proposed merger, City of Buffalo employees who become part of the new government would be governed under the respective collective bargaining agreements in place between the current Erie County government and the appropriate unions. Where there is no collective bargaining agreement, the appropriate city bargaining unit would negotiate with the new merged government.

The proposal would not alter the property taxes for Erie County residents, as residents outside of the City of Buffalo would continue to pay only for the countywide services they receive.

The draft enabling act would empower the county to adopt binding regional land use plans. This would result in a two-tier system of land use planning and control akin to that proposed by the American Law Institute's Model Land Development Code. The county would have final authority over land use control matters of significant regional impact, and the cities and towns over matters predominantly affecting local communities. The district legislative board, together with appropriate citizens boards appointed by it, would exercise land use planning functions at the district level.

Many of the details of the Merger were to be addressed by a Charter Review Commission and "extensive public input" was to occur in that process. The Charter Review Commission would propose changes to the Erie County Charter that would accomplish its transformation into the "Regional City of Buffalo".

Our Study Committee found that there is no consensus among those interviewed as to the compelling reasons for the consolidation of the City of Buffalo and Erie County. John Sheffer cited regional efficiencies, cost savings and regional excellence. Bill Greiner and Ken Vetter emphasized the need to control urban sprawl. Bruce Fisher said that the rationale for consolidation was to make government smarter, better, and cheaper. Eva Hassett said that the basis for the consolidation was cost savings and better fiscal management by the county. Most of the subjects interviewed recognized that a lack of clearly defined goals also contributed to the failure of the process.

The Merger Commission had no legal authority, met in private, and was not subject to "Sunshine Laws". No public participation took place until after the report was published. Most of the individuals interviewed said that the lack of an open process contributed to the failure of the proposed merger. Almost all of the interview subjects advised that the public should have been involved in a more substantive manner earlier in the project. This is critical because the ultimate success of any political consolidation depends upon a referendum on the proposed merger passing in each affected municipality.

One of the individuals interviewed concluded by saying that the proposed consolidation rested on two cornerstones: (1) the County could manage finances more effectively than the City (the City's finances are currently being managed by control board appointed by the State) and (2) the resulting merger would save significant amounts of money for the City of Buffalo and Erie County. When an analysis showed that the cost savings would be minimal and when Erie County government faced a fiscal crisis, the merger was doomed from the City's point of view.

In addition, the City representative indicated that, in order to reach consensus, the proposal had to be watered down - the proposal did not address school consolidation or resource reallocation (the issue of equity). The creation of a Municipal Services District

within the county with its own tax base (the same as the present City tax base) would accomplish very little from the perspective of the City.

The Study Committee identified two important lessons of the failed experience of Buffalo and Erie County:

- The most compelling issues faced by the community and the most important goals that need to be achieved by the community need to be at the core of any discussion of government consolidation. The goals and issues need to inform and frame every element of the debate. Buffalo and the Erie County did not develop a strong consensus on why they wished to consolidate.
- The process for developing the plan of consolidation matters. Buffalo and Erie County used a blue-ribbon panel to frame the issues and develop this specific plan. Clearly, public hearings, political input, media exposure and commentary, and academic discussion in an open forum should have preceded the release of the proposed plan of consolidation and enabling legislation.

Lessons Learned

Typically, political consolidation is aimed by its proponents at achieving or addressing one or more of the following community goals or issues: (1) governmental efficiency and cost savings; (2) achieving equitable allocation of governmental resources; (3) addressing the issues of jobs, economic growth, and regional competitiveness; (4) regionalizing planning; (5) increasing political participation; and (6) achieving greater accountability for public officials.

Our study committee has concluded that some form of local government consolidation is essential for our region's ability to more effectively compete in the global marketplace. Any plan that uses the tools of consolidation must look to the following as its foundation:

- The core issue for our region is jobs, economic growth and regional competitiveness - we will be more competitive in the world marketplace if we have the ability to think and act as a region rather than as a collection of small and ineffectual municipalities.
- Urban sprawl is deadly to our region - both in the cost of infrastructure and the cost to the vitality of the City of Syracuse. Regional land use planning must be developed to have an impact on sprawl.

- The health and vibrancy of the City of Syracuse is absolutely vital to the success of the region.

What Forms of Consolidation Do We Recommend?

According to Vito Sciscioli, Executive Director of Syracuse 20/20:

“There is clearly a mismatch between the kinds of investment required to create an environment for economic growth, a mismatch of power with respect to how we make ourselves more competitive. We are victimized by land use control and we don't even discuss it.

There is a significant amount of distrust among the politicians involved at the ground level and it's not just a turf battle. It's about the politicians' advocacy for people who they believe have been aggrieved. Trust doesn't exist. A great deal of political work needs to be done to create an environment of trust so that we can start to talk about matching up government structures to address the significant needs in this community.

We need to shape and influence metropolitan growth. We are not going to stop it, but we need to influence and understand it. Urban sprawl concentrates poverty in the City, causing significant problems that we pay for - whether we know it or not. Concentrated poverty causes significant social issues that result in government expenditures particularly at the county level for social services. If we could manage our growth more sensibly we might get a handle on these costs.”

Simply stated, Mr. Sciscioli makes the point that the City of Syracuse is confronted with significant issues that it neither has the resources nor the power to address. The power and responsibility to address those issues needs to reside in the same municipal government. This is really no different than the point Karen Kitney makes in her summary of the powers of the County government when she states that “planning and the regulation of land development are home rule powers that belong to the city, towns and villages. However, responsibility for the major infrastructure that supports urbanization (highways, water, wastewater) rests primarily with Onondaga County and New York State.”

Ultimately, consolidation of any sort is about realignment or concentration of power in a government that does not presently possess that power. The end of this realignment or concentration of power should be to achieve something important for the citizens of the community, something that cannot or is not presently being achieved with the present allocation of power among local governments. Whether the realignment or concentration happens through a legal merger, legislative rewriting of the rules of the game, voluntary contractual functional consolidation, or joint service agreements really should be of no moment. What needs to be focused upon is a consensus realization that the way local

governments presently operate is not the most effective way to make our region competitive in the world economy.

Local government faces dire fiscal problems with a shrinking and aging population base, escalating state mandates for the funding of pension and health insurance costs for employees in the state retirement system and for human services programs such as Medicaid, an aging and expanding infrastructure, and inconsistent state aid.

Without new sources of revenue, local government will be faced with a Hobson's choice of increasing the already heavy local real estate tax burden and/or drastically reducing or eliminating services.

Though it is common wisdom that substantial efficiencies can be derived from governmental consolidation, the experience of other communities is that metropolitan government consolidation does not produce dramatic efficiency gains. This is not to say that some economies of scale cannot be gained by cooperative efforts among municipalities or through functional consolidation or that greater efficiencies could not be achieved in certain well-defined targeted areas.

The experience of other communities suggests that there is a strong correlation between local government consolidation and growth. Specifically, centralized decision making has been credited with improved planning and economic growth. Careful, intentional, and consistent planning for use of our resources and acting as a region to develop and implement economic growth opportunities are at the heart of our recommendations. The Study Committee sees careful stewardship of the region's resources, growth in the local economy, and an increase in the number of jobs as the only real long term solution to the fiscal issues facing local government.

Economic growth/job growth/regional competitiveness is by far the most important issue for Onondaga County, as recognized in our public opinion survey, our interviews with numerous local leaders, the public forums that the OCL held, and the fiscal realities of local government.

Most of the respondents polled and a great majority of the leaders interviewed think that restructuring government would have a major impact on growth and think that growth is important enough to consider restructuring. On the other hand, there is a pervasive sense from the leaders interviewed that changes to the structure of government are not likely due to turf issues, fear, lack of leadership, politics, and inertia.

The Study Committee believes that the multitude of local governments in Onondaga County results in fragmented, piecemeal, parochial, and incomplete decision making on matters that impact the entire County. It is axiomatic that economic growth can only happen if we in

Onondaga County think, and more importantly, act, more regionally. Though by no means the sole cause of the economic issues facing the region, the current structure of government is an impediment to the economic development of the region and needs to change. Government that can act regionally to address regional issues will develop a greater pride in our region, pride that extends beyond the municipality in which we happen to live, and will engender a greater interconnectedness among the citizens of our region - an interconnectedness will focus attention and resources on inequities of facilities, services, and opportunity that exist in our community.

Our research and the experience of other communities, especially the failed attempt at the consolidation of the City of Buffalo and Erie County, indicate that the process for developing a plan of consolidation is critical to its success.

When this Report refers to a plan for consolidation of government, the Study Committee is not limiting the possibilities to political consolidation (e.g., the City into the County; villages into towns), but also means to include consolidation of planning, decision making, and implementation; joint service agreements among municipalities; and consolidation of certain functions that are presently at a local level (village, town, or City) to the County level.

The Study Committee recommends that a process, open to public debate and public comment, begin immediately with representation from all stakeholders to develop a detailed plan for strategic consolidation of local government.

When this Report refers to "strategic consolidation" the Study Committee means consolidation used as a tool or strategy to address the central issues facing our community or to achieve the most important goals of our community.

Based on the findings of our study, the Study Committee recommends that any plan for strategic consolidation of local government must:

1. Increase the region's ability to compete more effectively in the global marketplace by:
 - (a) Creating a land use plan that is consistent and enforceable across all municipalities within the County; using land use plans to check sprawl (reducing costs associated with new infrastructure; revitalizing and reusing existing infrastructure; avoiding further concentration of poverty in City of Syracuse; and the deterioration of the contiguous suburbs) - the proposal set forth in the Buffalo/Erie County proposed enabling legislation that gave land use planning and decision-making with respect to regionally significant projects to a county wide body is worthy of consideration. The fact that businesses and

developers encounter 34 sets of procedures and substantive regulations (zoning ordinances and sub-division regulations) certainly does not encourage economic growth.

- (b) Developing consensus on an economic development plan for the region with buy-in by all stakeholders including business and education leaders, private economic development organizations, and local, state, and federal government, and providing the resources for implementation of the plan - “The Essential New York Initiative” written by the Metropolitan Development Association based on the findings of The Battelle Memorial Institute and Catalytix provides an excellent economic development strategy for the central upstate New York region, but makes little mention of the role that local government should play in executing the strategy and only contains one sentence recognizing the imperative of reforming local government in New York State. Local government should be a key player and critical partner for making Central New York fertile ground for economic growth and job development. According to one commentator, “economic development should be the number one priority of all local policy makers. Local economic development is defined as a local government drafting and implementing policies that seek to enhance business growth and employment. The goal of economic development is to provide for employment opportunities, increase the revenue base, and increase the quality of life in a locality.”²
 - (c) Developing consistent "rules and tools" for project approval processes and "one stop shopping" for local, state, and federal tax incentives (e.g., payment in lieu of tax agreements, empire zone benefits, empowerment zone benefits, industrial development agency leases) within Onondaga County.
 - (d) Facilitate the development of the City of Syracuse as a safe and diverse center for education, commerce, tourism, residential living (neighborhoods and downtown), culture, and the arts. The particular issues of the City of Syracuse - population loss, diminished tax base, concentrations of poverty, must be addressed by the form of consolidation adopted.
 - (e) Equitably share local tax revenues (real estate taxes, PILOT [payment in lieu of tax] payments, sales tax revenue) generated by economic development activities among the municipalities within the county.
2. Recognize the attachment that the citizens of our county have to their local governments (the City of Syracuse, the towns, and the villages). Balanced demographic and geographic representation in the process of consolidation and in the resulting plan is essential to its success.

3. Reduce the inefficiencies and impediments to consistent high quality, cost-effective services caused by the service being provided at a level that is inappropriate to the nature, geographic scope, and significance of the service by realigning functions and services provided by government to the appropriate level. This type of “functional consolidation” or “rationalization of government services” can help make our region more attractive to business and economic development.³
4. Include New York State providing substantial financial incentives to the adoption of the plan to help overcome the inertia of the present structure and the turf issues inherent in any political change. In addition, the recommendations for specific state legislation that empowers regional decision making made by David Rusk and set forth in this report are worthy of consideration.⁴ (Paytas makes the argument that to achieve metropolitan competitiveness “the goal is to unify leadership and development activity while maintaining flexibility in the governance structure, especially at the state level.” Ironically, state centralization is associated with reduced long term competitiveness.)

What About Metropolitan Government?

It is the unanimous opinion of the Study Committee that, in an ideal world, the formation of a metropolitan government for the greater City of Syracuse and the resulting sense of community would have a greater impact on the fate of the City of Syracuse, the County of Onondaga and the greater region than the other forms of consolidation studied. But, the issue for our Study Committee has never been “metropolitan government or no metropolitan government?”⁵ OCL has focused on whether and how local governmental consolidation could assist in addressing the most pressing issue of our region. Our conclusion is that fundamental changes need to occur in the allocation of power among local governments so that local government can act regionally to enable us to compete effectively in the global market place. That reallocation of power can occur through political consolidation, legislative mandate, voluntary intermunicipal agreements, or any combination of those consolidation tools. The Study Committee does not presume to define the specific forms of consolidation that will best assure that sprawl is brought in check, land use planning is regionalized, a consensus regional economic development plan is adopted by local government, and the vitality of the City is recognized as essential to the region. The Study Committee believes that focused, strategic steps must be taken immediately towards a plan of restructuring of local government that will require further education on the issues and potential solutions, open and honest communication, civil, good faith discussion among all interested parties, and an overarching focus on a common goal.

This study makes little mention of the 26 school districts that are either entirely or partially within the boundary of Onondaga County. The subject of school district consolidations could be a study unto itself. By failing to incorporate school districts in this report, the Study Committee is not suggesting that the geographic boundaries of school districts and their organizational structure has no impact on the core issues of our region. A study of school district consolidation is simply beyond the scope of our study.

Barriers

The barriers most frequently identified as standing in the way of any government consolidation were the barriers of self-interest and the desire to protect turf. One political leader stated it this way “the towns and villages all have fiefdoms. They don’t want to give them up. There are a lot of jobs that are tied into that. A lot of patronage and so it tough to break down those barriers.”

The second most commonly perceived barrier to consolidation was a lack of communication, trust, cooperation, and consensus building in the regions political leadership. The lack of effective leadership was cited almost as frequently. One leader put it this way “you have seen it with the Destiny project, you have seen it with the hotel deal. The two don’t seem to get along and because you have got two very distinct governments trying to protect their areas, it doesn’t appear to be working for anybody. I think that both of them have lost sight of what they are there for.”

Responding to an editorial in The Post-Standard on the failure of political leadership County Executive Nick Pirro wrote on January 23, 2005:

“Today, City Hall's primary interest is City Hall. Success is measured only by what's recorded on the cash register tape in the finance office. The fact that a City resident faces a dwindling number of accessible jobs is not as important as being able to say that the City went toe-to-toe with a developer trying to create jobs in the City - even if that battle ends in the developer abandoning his plan.

I agree absolutely with your call for a consolidation of many local government services. . . . Every single one would meet the City's stated goals of saving considerable money. And every one has been rejected by the mayor.

Think about the inconsistency. On the one hand, the City is prepared to kill a \$55 million job-producing project because it says it needs an extra \$42,000. On the other, the City has consistently walked away from savings from consolidations that would exceed \$1 million a year.

I'm ready to consolidate tomorrow.”

Councilor at Large Stephanie Miner argues that the differences between the view of the City and the County is an outgrowth of the constituency each represents and the stream of funding upon which each is dependant:

“There are fundamental disagreements sometimes about what is in the best interest of the City of Syracuse, Onondaga County, or the Town of Marcellus. People from Fayetteville say, hey, Destiny, that's easy, how come you guys haven't gotten over it and moved on. Well it's not easy. And when you're asking the City of Syracuse to give up 30 years of property taxes, that's a very difficult decision that requires scrutiny and that requires us to think about it. Now, perhaps for the man in Fayetteville it's not that big a decision because you know what? His kids aren't going to be affected by a lack of \$11 million per year for 30 years going into that school district. But, that's what we're looking at.

We have such a vacuum of economic development in this community that we have let certain people come in and dominate the headlines. Instead of saying, you know what? We need to address utility costs, we need to address property taxes, and we need to look at those things both at a state-wide and a regional level and then find out where we do have agreements across governments and move forward there. And I think there is that opportunity. As you can see, we all agree that it's not working.”

Syracuse Councilor at Large Stephanie Miner responding to a question about the fiscal realities of the City of Syracuse on WCNY's Central Issues Special Town Meeting: Can Consolidation Work, November 18, 2005.

Another leader identified the lack of citizen commitment to government as a barrier - “there was a time when business people, labor people, teachers, lawyers, all kinds of people, said, because I feel I have a civic responsibility I'm going to serve on the school board for two years, or I'm going to serve in county government for a couple of legislative terms. I'm going to make a sacrifice of time and effort for a year or two. That is gone. There is no citizen commitment to government anymore.”

One leader who was interviewed, reflected that she thought “the most basic barrier is probably the most basic human element and it's probably fear. I also think that there has been a fear of losing one's identity and it played out in both Liverpool and Solvay in those police mergers. I think it is the underlying current that affects people who are in elected positions.”

One political leader observed that the biggest barrier to metropolitan government is that he did not believe that the community could “come to a consensus on what we want to be as a community.”

Another opinion leader is “always amazed in this community how we don't pull together to say that there are things that we can agree upon. Let's find the common denominator on

things we can work together on. We all seem to find the things we can't work together on and we push those and we get no place.”

Though consensus seems to be a rare commodity in this community, the Study Committee agrees with the leader who said that “consolidation has to be a consensus driven policy that a “good government group” gets the ball rolling and others pick up.” The leader went on to observe that it may be difficult to reach a consensus on consolidation because, unlike Buffalo and Erie County, we have not hit rock bottom.

Another barrier to consolidation may be the unwillingness of political leadership to consider consolidation a priority and to devote political capital to change. Governmental consolidation was only a priority for 5 of the 21 leaders whom the Study Committee interviewed and only 6 of the leaders were enthusiastic about devoting political capital to the issue. Others felt that they needed to hear from their constituents before taking any action and several felt that it would take a crisis before any action could be taken.

Public opinion could also be considered a barrier to consolidation. The telephone poll revealed local residents' loyalties to their local governments. A strong majority (75%) see City, town and village governments as valuable and (44%) thought that local governments were important enough to justify the cost - only 26% felt that local governments are not important enough to justify the costs. A large majority (77.8%) believes that the ability to create change depends more on the quality of leadership than the structure of government. Only 24% of those polled felt that one government could do a better job promoting growth, while 65% felt that other factors were more important. On the other hand, over half the respondents think that restructuring government would have a major impact on growth and 58% think that growth is important enough to consider restructuring. Only a minority of those polled were willing to consider political mergers - 41% favored merging the City into the county; 33% favored merging towns into the county; and 43% support merging the village into towns.

Though immediate political consolidation was not favored by a majority of leaders interviewed, voters polled, or elected officials a strong majority of all concerned supported or was willing to consider the merging of certain functions: highway departments - 68%; economic development offices - 62%; purchasing departments - 62%; police and sheriff - 60%; and tax collection - 54%. A plurality was willing to consider the consolidation of fire departments - 49% and tax assessment - 49%. A plurality opposes the consolidation of school districts - 58% and planning and zoning functions - 48%.

The overall responses from elected officials generally mirrored those of the public. Elected officials are less likely to oppose countywide merger of most services, but more likely to oppose merger of planning & zoning (59.7% v 48.4% public) and of highway departments (39.3% oppose v 27.6% public). Elected officials are somewhat more likely to oppose

merging villages into towns (47.2% v 43.8%), and towns into county (66.3% v. 59.7%), but slightly less likely to oppose merging of City into county 47.2% v. 50%).

Many of the community leaders whom the Study Committee interviewed and a large percentage of the participants in the public forums were pessimistic about the chances for consolidated government. Consolidating government and changing the forms of government is nothing new to our community. There have literally been dozens of examples of consolidation of government services including the combination of the Onondaga County Sheriff and Municipal Dispatch Operations into the County Department of Emergency Communications (1993), the transfer of the Burnet Park Zoo from the City of Syracuse to Onondaga County (1978), the formation of the consolidation Onondaga County Library (1976), the crime lab consolidation (1970), the health department consolidation from all units of local government (1967), the combined jail, city police and county sheriff's offices - PSB (1961). Examples of consolidation most commonly cited by participants in our study included BOCES, the Forensics Science Center (2000), justice center, the crash and rescue unit at the airport, the zoo, the public library, police departments in Manlius, Minoa and Fayetteville, town trash collection districts, Onondaga County Resource Recovery Agency, and drainage and sanitation.

Legal Issues

The legal issues surrounding consolidation could also be considered a barrier. Our committee's review of the legal issues presented by New York's laws and Constitution reveals that the formation, modification, combination and dissolution of units of local government is strictly a province of the state constitution and state law, as is the list of powers and authorities assigned to each unit of government. State law provides mechanisms for a variety of changes in the configuration of local government, but does not include provisions for the dissolution of a city, or for the chartering of a new city. Any such action would therefore require place-specific state authorizing legislation and procedures.

The mechanisms for changing local government boundaries are predicated on there being a consensus of the voters in each of the concerned areas. The standards and procedures thus established have made significant expansions and growth of local government areas all but impossible.

There is no existing legal mechanism for establishing a metropolitan (countywide or multi county) single government in New York. Neither is there an established mechanism for either a city to become coterminous with the county, or for a county to replace, subsume, or merge with a city. Any such step would require specific state enabling legislation. As a practical political matter no such legislation is plausible

without the passage of memorializing resolutions by each and all the affected local governments, and the unanimous support of the local state legislative delegation.

The scope of the present study doesn't justify an in-depth analysis of the legal process involved in, for example, combining two or more towns or a village and town. It is sufficient to say that the laws which structure New York State government strongly favor the continued existence of small, close-to-the-voter units of governmental administration. Furthermore, it is fair to say that the legal structures in New York State are hostile to the physical growth of governmental units, except in the rare circumstance where a majority of voters in each of the jurisdictions involved agrees to the proposed change in boundaries. To see the practical implications of this, imagine the likelihood of a majority of the voters in each of the towns and villages abutting the City of Syracuse agreeing to be incorporated into the City.

On the other hand, the state's laws are much more accommodating of efforts by different governmental units to work together or make assignments of tasks to one another using inter-municipal agreements. Section 119-o of the General Municipal Law allows for municipal corporations and districts to perform municipal cooperative activities and can provide the basis for a realignment of responsibilities. (See [Appendix I](#) for an in-depth treatment of the legal issues surrounding governmental consolidation.)⁶

External Forces

One additional barrier deserves mention - the sense by some in this community that we are victims of external forces that are beyond our control. It would be naive and inaccurate to ignore the litany of external challenges to economic growth cited most often - high energy costs, high workers compensation costs, the imposition by the State government of a crushing proportion of Medicaid costs, the cost of air travel from Syracuse for the business traveler, and the perpetually late State budget. Local government that is empowered to more effectively address the major issues facing the region would also have more clout to deal with these external forces.

Need for Consensus

Of the barriers identified in our study, the most critical barrier is the lack of a consensus among voters, political leaders, elected officials, and community stakeholders on the need for government consolidation. If that consensus can be built around the most critical issue facing our community, the other barriers are surmountable. Reasonable people can differ on the means to achieving job growth, population growth, and economic development. But a forum needs to be available where the development of a

consensus is required and government structures must be available that are properly empowered to address the impediments to job growth and to facilitate economic development that will enhance long term regional competitiveness.

Hopeful Signs

"We are working closely with the City on this matter [the dispute with the State over the allocation of proceeds from the sale of the Cherry Hill apartment complex], and have agreed we will involve each other in future projects at the beginning rather than end of negotiations. I accept your underlying message that we need to do more to create a united, coordinated and positive economic development effort, and intend to say more about the topic in the coming weeks."

Excerpt from a letter to the Editor of The Post-Standard from County Executive Nick Pirro, February 13, 2006.

Recently there have been hopeful signs on three fronts: (1) local political and policy leaders have begun to discuss government consolidation and the topic is taking a more prominent place on the public agenda, (2) there have been positive indicators on the jobs and economic development front, and (3) there has been movement on a number of projects that effect the vitality of parts of downtown Syracuse.

One of the hopeful signs for this community was the very well attended Central Issues Special Town Meeting on the issue of government consolidation broadcast by WCNY, the local PBS affiliate. The issue of consolidation has currency and momentum. The Central Issues program was a good illustration of a respectful civic conversation on this important issue. For a copy of the transcript of the Central Issues show, see Appendix J.

In concert with the goal of The Essential New York Initiative to make Central Upstate New York a region of greater tolerance in which diversity is valued, the efforts of the MDA and the Community Wide Dialogue to end Racism is also a hopeful sign that the issues of race and class that have been largely unspoken in this community are finally being discussed.

Robert DeMore, president of the Onondaga County Supervisors Association and an active participant in this Study, has also been active in promoting intergovernmental cooperation. New York State Senator John DeFrancisco is sponsoring legislation to establish a Central New York Municipal Cooperation Program aimed at increasing communication among local municipalities to promote cost effective, improved, shared services.

On the jobs front, The Post-Standard reported on November 26, 2005, that the Syracuse area gained 3,200 jobs in October 2005 compared with the same month in 2004 due entirely to gains at private, non-manufacturing employers. The same article reported that the median price for single family homes in the Syracuse area rose at an annual rate of 15.1% in the third quarter of 2005. The article also reported that Syracuse was doing better at retaining college students who come here for an education. In terms of total population growth, the

US Census Bureau reported an increase in the populations of Madison, Onondaga and Oswego counties from 650,154 in 2000 to 653,988 in 2004.

Syracuse University, the second largest employer in Onondaga County has embarked on a number of projects involving the City of Syracuse. The University has invested over \$9 million dollars in The Warehouse located adjacent to Armory Square. The Warehouse, the former Dunk & Bright warehouse, now contains classrooms, faculty offices, and mixed use space. The facility now brings nearly 600 students, faculty and staff per day to downtown Syracuse and also offers space for community events and art exhibitions.

The Warehouse is the western anchor for the Connective Corridor, an urban design and planning project to bridge the University Hill with Downtown Syracuse and create a regional center for the arts and culture. Lead by a partnership between Syracuse University and the City of Syracuse, the project will offer improved transportation options to link the City's arts and cultural institutions. It will also address the real (Route 81) and perceived divides among the City's communities. To date, Syracuse University has raised over \$10 million for the project.

In addition to Syracuse University's Connective Corridor project, a number of market rate housing projects are at various stages of development - though most of these projects require government subsidies to be viable. In addition, it appears that the Convention Center Hotel project will move forward with the recently announced change in developers (also with significant government subsidies), and that AXA and Excellus, two anchors of the downtown office market, are moving closer to commitments to stay in the City (it should be noted that the principal competitors for the office space are other towns within Onondaga County). This economic development activity and some good news in the areas of commercial and manufacturing growth should prompt us to seize the moment to build on favorable indicators.

Our recommendations for government consolidation fit well with a community whose economic fortunes may finally be on the upswing and whose City core is finally receiving the attention that it requires. As Jerry Paytas stated in his seminal paper, "Does Governance Matter? The Dynamics of Metropolitan Governance and Competitiveness":

"The results [of his study] do not dictate that fragmented regions cannot be strong competitors or enjoy periods of competitive excellence. Rather, the findings indicate that few fragmented regions are likely to be strong competitors, and that they are unlikely to sustain competitiveness over the long term. Long term competitiveness requires flexibility, and fragmented regions are less likely to mobilize the consensus for change. Fragmented regions divide the regional constituency, offering opponents of change more opportunities, forums, and even institutional support to resist change.

Unification encourages serving the regional constituency rather than parochial interests.”

Next Steps

It is the earnest hope of the Study Committee that this report will provide a concrete starting point for a public discourse on the ways that government consolidation can be used as a tool to address the most pressing issues facing our community. To that end, the OCL and Syracuse 20/20 are presenting a Community Leadership Conference on Strategic Government Consolidation on May 17, 2006 at which a historical perspective on local governmental mergers will be shared, the Study findings and recommendations will be reviewed, Bruce Katz of the Brookings Institution will offer his thoughts on what types of governmental consolidation are most appropriate to address the issues facing our region, community leaders will gather for a facilitated roundtable discussion, and a proposal for action will be laid out by Syracuse 20/20.

The Study Committee has consciously not answered the question: What will strategic governmental consolidation for Onondaga County look like?

Answering that question is certainly the next step.

For any plan of governmental consolidation to succeed, it must have grassroots support. Education of the public of the core issues facing our region and how governmental consolidation can help address those issues is key. Dissemination, examination, and discussion of this report through media outlets and the Leadership Conference is a good start. A series of forums should be held in the City and towns throughout Onondaga County to bring the issues and recommendations to the public and foster a healthy and robust debate on the core issues of relating to any proposed change - how will the recommendations affect my village, my town, my neighborhood?

Changing the structure of government in profound ways to address our most critical issues is certainly a daunting but critical task. The actual development of a plan of strategic consolidation must be open, inclusive, and thorough. Syracuse 20/20 is considering a number of alternatives for developing a detailed plan for strategic governmental consolidation. To have the impact and staying power that is required to see the process through, the effort needs to be well funded and will require paid staff working at the direction of a diverse and representative governing body under skilled leadership.

To ultimately succeed, legislation will be required to change the structures of local government (whether through merger of governmental entities or the reallocation of certain powers to more regional governments). For legislative changes to occur, political champions need to be identified, developed, or elected who will facilitate, encourage or mandate local government restructuring (e.g., consistent and enforceable county land use plans, elimination of member items that facilitate further local government fragmentation).

This lead organization will need to take on the three tasks of (1) educating the electorate, (2) defining what strategic governmental consolidation will look like for our region, and (3) implementing change through the development of political momentum, political champions, and legislation. The plan should be targeted and focused on the critical issues identified in this report (sprawl, economic development, revitalizing the City) and should contain the critical elements identified in the Study Committee's recommendations.

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Initial Legislation for the City-County Merger of Buffalo and Erie County

ENDNOTES

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1. Twenty-two percent of the voters surveyed live in the City of Syracuse, 34.9% live in the eastern suburbs, 16.3% live in the northern suburbs, and 26.8% live in rural towns. Actual registration figures are as follows: Syracuse - 25.7%, eastern suburbs - 37.5%, northern suburbs - 14.1%, and rural towns 22.7%. Of the voters surveyed, 58.5% were female and 41.5% were male. This compares to the actual registration figures: female - 54.2% and male - 45.8%. The party registration of the voters surveyed was Republican - 40.5%, Democrat - 36.5% and Independent - 19.3%, compared to actual registration figures of Republican - 35.3%, Democrat - 33.2% and Independent - 24.5%.
 2. Jones and Ward, "City-Regionalisms: Some Critical Reflections on Transatlantic Urban Policy Convergence," Economic Geography Research Group (January 2001).
 3. According to Jordan Rappaport in "The Shared Fortunes of Cities and Suburbs", "it makes sense for a metro area's governments to cooperate in providing or subsidizing three types of public goods":
 - goods for which the average per-unit cost falls as the amount of the goods provided increases (e.g., sewage treatment, regional airport);
 - public good in which the benefits to each user increase as the public good serves a larger population or geographic area (e.g., commercial airport, mass transit system);
 - local amenity that is located at a single site but that benefits residents throughout a metro area (e.g., zoos, museums, performing arts centers, and sports stadiums).
 4. Rusk wants the legislature to assign more responsibility and authority to a region's only local government, i.e. the county government. Rusk recommend that the State legislature must:
 - empower county government to develop comprehensive, county -wide land use and transportation plans that will curb urban sprawl and channel investment back towards core cities, villages and inner-ring towns;
 - require municipal governments to conform municipal plans and zoning maps to the county-wide plan;
 - direct such comprehensive plans to incorporate a fair share plan for balanced housing development, serving all levels of the workforce thought all municipalities;
 - empower county government to issue bonds against the county-wide tax base for all growth-supporting infrastructure investments of regional significance;

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- empower county government to issue bonds against the county-wide tax base for purchase-of-development rights to preserve valuable farmland and to secure open space;
 - authorize county government to be the only local government that can approve tax abatement and other local financial incentives for economic development; institute a county-administered system of tax-base sharing so that all municipalities will share in the revenues generated by regional economic growth.

Rusk goes on to state that "if the legislature is unwilling to mandate such a system, it should provide clear statutory authority and state financial incentives by which a county's citizens can elect to institute such a system by county-wide referendum without the exercise of veto by "little box" constituents."

5. The Study Committee is aware that the present state of public opinion, the lack of political will among our leaders, the lack of a overriding sense of purpose or impending crisis (though a fiscal crisis for local government looms) do not favor a leap to metropolitan government. The Study Committee is also mindful that, as Rusk points out, a true "unigov" would require the full participation of the towns and villages, a result that, if experiences elsewhere are indicative, is unlikely.
6. The following summary of the legal steps to City/County merger taken from the proposed enabling legislation for the City of Buffalo/Erie County merger is instructive:

"The only way in which the present City and County governments can be merged under the New York Constitution is pursuant to Article IX § 1(h) of the Constitution, which empowers the State Legislature to authorize the creation of alternative forms of county government, in which functions may be transferred and other units of local government may be abolished notwithstanding otherwise applicable constitutional principles protecting the existence and essential functions of the traditional local governments. The exercise of this power is subject to two important conditions.

First, if the state law authorizing a county to adopt such an alternative form of county government is a special law, which in terms and effect does not apply to all counties (other than the five boroughs of the City of New York), it may be enacted only upon a county home rule request.

Second, if an alternative form of county government transfers a function from an existing local government, it is subject to a split referendum, requiring separate majorities of (a) the voters of the cities, considered in the aggregate, and (b) the voters outside the cities. If it transfers a function from one or more villages, a third majority is required, that is, a majority of the voters of the villages so affected, considered in the aggregate.

The State Legislature could not merge the City and the County except in compliance with these conditions. Moreover, [in the context of the consolidation proposed for Buffalo and Erie County], it will be necessary to transfer the City's constitutional taxing power to the County, and this would not be accomplished by an act of the State Legislature simply dissolving the City, even if that were possible.

Pursuant to Article IX § 1(h) of the Constitution, Section 33 of the Municipal Home Rule Law empowers counties to design and adopt their own forms of alternative county government and, in that context, to transfer functions among the units of local government within the county. It does not, however, authorize the abolition of an entire unit of local government without further authorization by state law. Since the proposed merger would not abolish the City of Buffalo as a formal legal entity, it might conceivably be effected without necessity of an enabling act. An enabling act is proposed, however, so as to foreclose legal challenge to the proposed merger of functions as the practical equivalent of abolition, and to reduce legal risk to other aspects of the merger."



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