

APPENDIX

“E”



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Study Session #1: "City and County Finances: What's in Our Fiscal Future?" April 14, 2005

Notes from a Thursday Morning Roundtable panel discussion with Dave Moynihan (CPA, Testone, Marshall & Discenza), Ken Mokryzski (Director of Administration for the City of Syracuse) and Joe Mareane (CFO, Onondaga County):

After a brief introduction by OCL study chair Larry Bousquet, **Dave Moynihan** explained that he has a unique perspective on the fiscal situation of the city and county as his firm audits both the city and county finances, and those of the city school district. He offered a comparison of the net assets and like a business, a municipality is constantly under pressure to find ways to pay its expenses, especially when tax revenue does not cover those expenses. He explained the various ways municipalities use to make up for deficits. The pool of revenue, he explained, is finite.

Visuals detailed the assets and general fund balances for the city and county in 2002, 2003, and 2004. While Onondaga County had about \$8 million more in revenue than expenditures last year, Moynihan warned that that amount is relatively small, making the county's fiscal outlook less than secure. The limited revenue pool creates a tenuous financial position. And, as with most modern municipalities, Onondaga County's expenses continue to increase as options for increasing revenue diminish.

Moynihan said the major expenditures for both municipalities are the people who provide the services; particularly benefits for current government employees and post-employment benefits.

Joe Mareane shed some light on the complexities of the county's situation. In 2003 local governments in Onondaga County spent roughly a billion dollars for operations. That included the expenditures for 16 police departments. In that same year \$363 million was spent on mandated expenses. Mareane noted that the county's share of those expenses increases each year.

To emphasize the increased need for revenue options, Mareane explained that the county's 2005 budget is projected at \$751 million. About \$177 million will be collected in property taxes, another \$126 million in sales tax. With 4,200 employees, the county has a hefty payroll and benefit expenditure. But Mareane said the number of employees has been reduced by 17 percent from a decade ago.

Mareane explained that the county uses its revenue for a variety of services; from traditional services like road repair, park maintenance, and law enforcement; to metropolitan services like the justice center, the 9-1-1 center, and the crime lab. Onondaga County also has non-mandated expenses like Onondaga Community College and Van Duyn Home & Hospital along with the mandated human services.

DSS (the Department of Social Services) requires the largest chunk of the county budget--about \$200 million a year. Mareane said Medicaid, with its ongoing problems at the state level, is the most volatile variable of the county's mandated service budget. He said the state is shifting more and more of the financial burden for mandated programs like Medicaid to the counties. On a more optimistic note, Mareane said the state's newly minted cap plan to limit Medicaid costs should keep increases to the county's contribution at about 3 percent each year.

Mareane offered some specific issues in the county budget that will likely put a dent in that \$8 million dollar cushion Moynihan spoke of:

- The county paid out \$24 million in pension costs in 2004
- The Van Duyn home is in trouble to the tune of a projected \$9 Million deficit next year
- Health care costs for county employees continue to rise
- The clean up of Onondaga Lake requires a significant financial commitment

Mareane said the health of the economy has a direct influence on the county budget. During slow periods, sales tax revenue goes down and human service costs go up. A robust economy generates higher sales tax revenues, improving the county's ability to cover the costs of providing said services.

Ken Mokryzski's comments were based on the concept of using the past as a predictor of the city of Syracuse's fiscal future. He summarized city expenses and compared budgets from 1982 and 2004/05. The city's total budget in 1982 was \$85,200,000, this year it is \$221,100,000, reflecting a variance of 131 percent. The amount budgeted for the schools has increased from \$74,300,000 in 1982 to \$248,200,000 this year. Figures on school aid from the state show the greatest variance.

Mokryzski said the city cannot continue to spend over the rate of inflation. The city has been able to keep up this far because property taxes in the city have increased in line with the rate of inflation. As has the county, Syracuse has been struggling with ongoing variable in the amount of state aid it can expect to get each year. Mokryzski offered some reasons why that variable will likely remain unfixed:

- The pool of state funds is finite
- The state has been increasingly grasping for more options for tax revenue
- Single pay options are being utilized too often
- The state has been attaching contingencies or requirements on aid

The three panelists took a few questions from attendees. The idea of selling Hancock International Airport was raised. Mokryzski explained that since it was built with federal money, those debts would consume most of the money a sale of the facility would generate. Therefore, the city would benefit little from such a sale.

When asked how he felt about consolidation as a tool for addressing fiscal problems, Joe Mareane said he believes there are ways consolidation efforts could help in Central New York, as he has seen minor successes in other parts of the country. The public may be more open to consolidation efforts that could save money and/or improve coordination of services, he said. Mareane suggested that small efforts, like the joint purchase of an IT accounting program, or consolidating economic development resources, may be good starting points.

Mokryzski said he would like to see a civic organization look at what could be done with consolidation among the school districts. He added that would be the only way he could see consolidation efforts resulting in a "real" cost reduction. Moynihan added that parochial barriers might be difficult to overcome. He said educating people on the financial realities being addressed today might be the only way to get them past their personal preferences for localized delivery of services.

The discussion closed with one participant asking about the financial burdens created by drug abuse and related crimes, and its impact on the county's commitments to the justice center and the Jamesville penitentiary. Mareane responded that both facilities are filled to near capacity and the costs have put a heavy strain on the annual county budget.



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Study Session #2: "Municipal Collaborations: Conversations with Town Supervisors" April 14, 2005

Notes from an April 14 Thursday Morning Roundtable panel discussion featuring Bob DeMore, supervisor of the Town of Fabius and Hank Chapman, supervisor of the Town of Manlius.

OCL study chair Larry Bousquet welcomed these two uniquely accomplished public servants who shared their own experiences with various consolidation efforts.

Hank Chapman said that consolidation and related issues have been a passion of his for a number of years. He also believes that the barriers to using consolidation are not insurmountable.

The average person, Chapman proposed, has far less loyalty to the idea of multi-level government than is perceived. People care about getting the best service and value from their tax dollar. "I firmly believe consolidation is something residents think we should be doing--we should be talking about, we should be considering," he said.

Manlius, Chapman said, has a long history of commitment to collaborative efforts. The town established an environmental council in 1973. In 1985, the Town of Manlius successfully consolidated its three village police forces. Chapman described that process as a model of consolidation success. Today the town, as opposed to the three respective villages, also provides property assessments, tax collection, animal control and code enforcement services. Chapman said with each proposed change, the villages of Minoa, Fayetteville and Manlius were approached individually. He added that, particularly with code enforcement, village residents are saving money and the service is better.

Chapman said the town is also working with 31 other municipalities on a proposal for a DEC grant for storm water control. Manlius has agreed to administer the \$295,000 grant on behalf of the Central New York Regional Planning and Development Board.

Last year, Chapman supported the formation of the Citizen's Task Force on Consolidation and Intermunicipal Cooperation in Manlius. Comprised largely of town residents, the group plans to have recommendations for further consolidation efforts between the town and three village governments in about a year. "Everything is on the table," Chapman said. Fire departments, courts, senior services, recreation services, and highway/DPW services are some of the issues the task force is looking at.

Bob DeMore detailed the changes made to the Fabius trash districts in 2000. After careful planning and detailed education on the benefits of consolidating, 70 percent of residents voted in favor of the district. DeMore added that the towns of Fabius, LaFayette, Pompey and Tully, and the villages of Fabius and Tully, have saved about \$400,000 in trash service costs.

DeMore said he recommends crossing county lines to create service districts with the greatest cost savings. Fabius currently shares ambulance service with four other towns located outside of Onondaga County.

The Town of Fabius also shares lakefront property on DeRuyter Lake with the Madison County

village of DeRuyter. The towns of Fabius and Pompey have a joint assessment unit, and the towns of Fabius, Pompey, and Tully share highway equipment through an informal agreement. Six southern Onondaga County towns share a bookkeeper. DeMore added that the idea of shared services warrants greater promotion in general, and perhaps a person should be hired to handle coordinating communications between them.

Chapman said he shares the concerns other municipalities have about the ever-rising costs of non-employee benefits. The Town of Manlius paid out \$16,000 in pension benefits in 2003, and that same line item was budgeted at \$560,000 in 2004.

Chapman admitted that the complexities of local municipal government warrant caution when contemplating changes to service districts. For example, taxpayers can't be expected to pay for services that are utilized by private groups.

DeMore said he expects that the gradual sharing of services will gradually serve to blur municipal boundaries, particularly in Fabius and Pompey. He noted that in more rural communities, control is an issue. Elected offices cannot be abolished randomly. Chapman added that consolidation on a larger scale would probably have to be done gradually, with the more obvious, and cost effective collaborations being done first.

Chapman responded to questions about how municipal employees fare when departments are combined or new districts are established. Municipalities rarely see an initial cost savings from the salary and benefit adjustments. Residents often have to be encouraged to look beyond the initial consolidation effort to see financial benefits. Chapman said if the three village police departments in Manlius had not been merged, residents most certainly would be spending more for the same level of service today.

DeMore said he is certain that if he had had the time to promote the trash district to more towns, they may have been included.

One attendee asked about the increasing demand for services in more suburban municipalities. DeMore said in a rural town like Fabius, this a particularly difficult balance to achieve. Chapman said in Manlius, sidewalks have become a recent hot topic--a service typically associated with cities.

The idea of curtailing or outsourcing services was posed. Both said economic development may have to take some creative forms as people expect more and more services for less tax revenue. DeMore said in his experiences, people will keep paying more for the services they want--period. Chapman warned that, "There is no way we can continue to operate the way we currently operate without raising peoples' taxes considerably."

The idea of merging fire departments was posed by one attendee. DeMore explained that social factors play a large role in the maintenance of a volunteer fire department, and care must be taken not to discourage volunteers' commitment to providing such an important service. Chapman said discussions on merging the fire companies in Manlius have been productive because the departments have been asked to contribute ideas. While there is still resistance, talks are continuing. Chapman said fire companies might be more receptive to consolidation if it is limited to centralization of budgeting (separate facilities would be maintained, social bonds would not be disrupted).

In conclusion, the supervisors were asked about the use of county and state contingencies and incentives for consolidation efforts as a means of determining increases in the allocation of resources. Both supervisors agreed that approach could encourage more openness to municipal collaboration.

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Study Session #3: "Government Consolidation 101" April 21, 2005

Notes from the April 21 Thursday Morning Roundtable presentation by Kent Gardner, Director of Economic Analysis, Center for Governmental Research Inc., a non-profit center based in Rochester that has studied various public policy questions in New York State.

Study committee member **Eric Persons** introduced **Kent Gardner**, who was invited to provide a kind of "nuts and bolts" overview of the topic. Gardner specializes in public finance and economic competitiveness.

Gardner commented that with issues of municipal government, it is often tempting to ask, "what would happen if we started again from nothing?" Surely we would come up with different models. But he pointed out that working backward is not as easy as it appears. Villages were formed to address two levels of service needs; rural areas and more concentrated village services. Towns deliver a different kind of service. Gardner said this no longer makes sense for most of our villages and towns in urban areas. Today, villages and towns have few differences in terms of service needs.

The Center for Governmental Research (CGR) has done a lot of work in Buffalo and Erie County. In 1996 Gardner was director of a report known as "No Hand Out No Bail Out". CGR was asked to justify a city/county merger. Joel Giambra, then Buffalo city comptroller, currently Erie County Executive, thought merging made sense. The report showed that merging would be very difficult.

Gardner briefly described other CGR projects including:

- Orchard Park town/village/school consolidation
- The "Who Does What?" initiative to change the allocation of service responsibilities in Erie County
- The Village of Lancaster / Town of Evans police consolidation
- Chautauqua County, Town of Portland/Village of Brocton consolidation
- Broome County/Tioga BOCES (15 school districts explored options for cost sharing)
- Consolidation of Rochester/Monroe County city school district

- The New York State Department of Education incentive for district consolidation. (The department of education asked CGR to promote the incentives to school districts; few did.)

Lessons learned: Gardner said it is important that there is agreement on the goals of any consolidation initiative.

- Saving money (state is not competitive)
- Redirect stream of money, particularly tax revenue
- Rationalizing service delivery (Town of Portland)
- Increasing influence and visibility Louisville wanted to be 16th largest city in America; is that a good idea?

Conclusions:

- True consolidation is very difficult
 - Public employee unions are powerful and politically active Gardner mentioned that in labor intensive departments like human services, there is often resistance to change and downsizing. This was one reason why nothing has happened in Erie County despite support from county executive.
 - Water systems in Rochester/Monroe County were poised to merge; leaders of two entities convinced leaders that it was a bad idea in order to save jobs.
 - Fire departments are reluctant to merge because of social bonds, love of equipment.
- Traditions are very powerful
- Cost savings are modest, and diffused. It is a difficult case to make. But cost on other side could be someone's job, and they will fight.
- Improved efficiency is not guaranteed. In Orchard Park, CGR saw little advantage to eliminating village.
- Informal coordination can be just as effective, and anything that could reduce costs is already being done. For example, highway departments sometimes have informal

sharing agreements, and these are often quite successful. "The big money doesn't sit on the table," Gardner said.

- Economic benefits are unproven; Indianapolis metro area has prospered, but not necessarily the inner city, and it may have happened anyway.
- Consolidation is distracting. Even subtle changes can require lengthy adjustment periods.

Other points: Gardner mentioned that often to get the deal, you lose benefits. For example, merging service departments often requires leveling up of some salaries and benefits. This results in increased spending, at least initially.

Gardner concluded his remarks by reiterating that improving government is "A task for the infantry " The eternal quest for a single event that will lead to improvement is usually unfulfilled. The hard work of the process requires tireless negotiation, careful analysis, and can't be done with a stroke of a pen. "If you want to save money, pick your target carefully, and plan for a long campaign, and don't expect miracles."

Gardner was asked if he could share any success stories. He quickly said "no" adding that any successes were "long in the past." A handful of school districts have consolidated, with mixed success. In Erie County, a \$1.5 million payout was offered from the county budget to persuade police services in the county to consolidate. Gardner said it has not yet been paid, as the county has serious financial and managerial problems.

One attendee asked about the role of party politics in these consolidation efforts. Gardner said the conflicts tend to be more urban/suburban than party-related. Race is a big factor in discussions about city/suburban consolidation efforts. For example, consolidating law enforcement services between cities and counties often requires crossing racial lines. Suburbanites are reluctant to share services with minority populations in general, Gardner said.

Speaking of schools specifically, Gardner said studies suggest that it is not poverty, but the concentration of poverty that influences a success in schools. Urban districts typically have higher concentrations of poor students.

When asked about consolidation as a tool for improving economic development, Gardner said the evidence is not persuasive at this point, and that the evidence has shown that rationalization of service delivery is the most important reason to consolidate--which can lead to development initiatives. But, such incentives are controlled more centrally. Town policies focus on land use. Rationalizing these laws would make sense, but consistency of land use may not have much effect.

Gardner was asked about a few projects beyond the state; Portland's three county system, the Twin City's seven county system, Dayton, Ohio EDGE Program. Gardner said the Twin Cities model is successful, but tough to duplicate.

Another participant suggested that perhaps consolidation could get a better reception if it was introduced in a timelier manner. For example, when a fire department has to buy a new truck, it could be suggested that they partner with a neighboring company instead of making a purchase. Working toward the future may be a more realistic goal. Gardner said getting people to think long term is difficult. He suggested thinking small, thinking long-term, and being patient.

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Study Session #4: "Eastside TNT Meeting" May 10, 2005

About 30 residents attended the May 10 regular meeting of Eastside TNT (Tomorrow's Neighborhoods Today). Eric Persons and Clyde Ohl facilitated this OCL presentation, the first of the focus group session for this year's study.

In introducing the OCL study topic, Ohl said that in its current form, local government in Central New York impedes the completion of development projects. He mentioned the incinerator (Onondaga Resource Recovery Facility), Onondaga Lake, Destiny and the current debates over a proposed hotel in the downtown area as examples of projects over which the city and county have disagreed. "What can we do to make decisions more quickly?" Ohl posed to the group; adding that the current structure--which includes 19 towns, 15 villages and 18 school districts--is not conducive to change.

One attendee noted that there is a perception that issues involving the county don't pertain to the City of Syracuse. Another asked what lobbying would be done to get the actions proposed by OCL into action. Ohl explained that OCL is not a lobbying group. OCL makes suggestions, but it is up to the voting public to enact change. Ohl admitted that is no small task.

Examples of small, fairly recent changes in the distribution of services were discussed; the city formerly ran the zoo and the library. These are now county responsibilities. Although some suburban libraries within the system do have their own boards of directors, which allows them to expand fundraising efforts. One frustrated city resident simply asked, "Why am I even paying county taxes?"

One attendee said local government reorganization had been discussed before, shortly after Syracuse Mayor Matt Driscoll took office. He suggested that reorganization might actually occur if its specific issues were presented on a referendum so that people could vote on them directly. Relying on politicians to present ideas for reorganization has not worked.

An attendee said people need education on reorganization efforts that have been successful. Another added that "politicians don't want it" because many believe it is in their best interest to maintain the status quo. "I heard this before, 20 years ago and it didn't go very far," he added.

Before the group continued on with its regular meeting agenda, Ohl asked for a show of hands as to whether or not OCL should continue on with a study on local government reorganization. Nearly all in attendance raised their hands.

Attendees were asked to complete a questionnaire on reorganizing governmental structures in Onondaga County. Three responded; a summary follows:

- Parochialism, racism, lack of long range planning and development, and suburban expansion were cited as pressing issues facing the CNY community. One respondent said that without the city at its core, Greater Syracuse "would be nothing."

- To address those issues, one attendee suggested bringing in speakers who have dealt with these problems in other areas of the country. Another said the method of governance in CNY must be changed and voted on through a referendum.
- The respondents all said they thought changing the structure of government would help to address these issues. One suggested integrating the school systems. Another thought combining the Syracuse Common Council and the County Legislature would be a good way to start.
- Asked for examples of government reorganization possibilities, one person suggested looking to Seattle, Washington for inspiration. Another said Onondaga County's own Civic Center is an example of a county facility that works well because it draws people downtown. Another respondent said economic development should be reorganized to the benefit of all county residents.
- Respondents saw positives and negatives in government reorganization. One person thought reorganization could reduce the size and scale of local government to prevent duplication of services, and require more accountability from elected officials.
- All respondents agreed that local government organization is vital to the future economic health of the county.



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Study Session #5: "F.O.C.U.S. Greater Syracuse Meeting" May 13, 2005

Larry Bousquet and Tony Malavenda facilitated a presentation for FOCUS CNY on May 13. About 40 people attended. After an introduction by FOCUS's Chuckie Holstein, Bousquet described research being conducted as part of the study. He also reminded the group that OCL does not advocate any particular course of action, but that the philosophy of the study committee is to see if consolidation is a tool that can help CNY reach a specific goal(s).

While participants were asked to fill out the Local Government Reorganization questionnaire, Bousquet led a brainstorm session on each of the questions.

Participants cited the following as pressing issues facing the community:

- Lack of sustainable economic development
- Local schools are not preparing students adequately/getting results
- Lack of innovative housing options
- Public safety
- The barriers associated with concentrated poverty/geography of inopportunity
- Lack of cooperation and communication among government entities
- Economic distress of downtown Syracuse
- Negativity/lack of enthusiasm in the community
- Lack of a shared development strategy between the city and county
- Inadequate public transportation and parking options
- The under funding of the city schools
- Lack of communication between political parties
- Duplication of services
- Lack of a "grand vision" for the community

Ideas on how local government can address those issues included:

- Leadership
- Foster a process for clearing bureaucratic impediments to development projects that would include getting the private sector more actively involved
- Support neighborhood efforts
- Reduce duplication of municipal services
- Reduce "Not in my backyard" syndrome
- Explore broad-range ideas for shared services
- Explore new technology options and how they can improve efficiency
- Develop an ideal model for the Central New York area and look around the country for examples; introduce these ideas in a non-threatening manner

Ideas on how the structure of government in Central New York could be changed included:

- Combining emergency services (police, fire, etc.)
- Find incentives for collaboration beyond cost savings
- Look to the common good and beyond present constituencies (look 10-20 years down the road) Metropolitan school districts
- Achieve equity among city/county constituencies in terms of taxes and services
- Get a cohesive goal that would unify city and county neighborhoods
- Any changes must attempt to maintain town/village aspects of community
- Set annual, long-term goals for combining municipal services
- Improve land use planning to lessen the negative effects of suburban sprawl
- Strengthening local identities could soften blow of collaboration, reduce impediments
- Establish municipal consortium

—Develop a regional council of governments

Other issues FOCUS members discussed included:

- The importance of schools in maintaining a sense of neighborhood community
- The importance of maintaining a hospitable economic environment for local businesses
- Collaboration must be done in context of NYS legal barriers
- There is not a strong collective will within the voting population to enact change. Why?

- State constitution
- Attitudes

- If people feel that their basic services are not being met, they will want change; concentration of poverty is a factor
- CNY is not competitive
- There is special segregation
- Sprawl is a problem in the townships
- There is a lot of apathy in the community
- People want to have a sense of belonging

The group brainstormed ideas on the possible positives and negatives of reorganization.

Possible barriers cited included:

- Organized labor has to be engaged in the process
- The city is not welcoming; why should people go there
- There is no trust; fear of the poor has driven people out to the suburbs

Positives included:

- Schools could be more focused on the common good
- There are many small clusters of people who are working for change in their communities; these efforts could be tapped into and built on
- There are good resources already established that could assist with reorganization
- Creating predictable development patterns in CNY would help economic development
- Police precincts could be maintained if business end was centralized and social identities would be maintained
- There are good examples of reorganization successes that could serve as a blueprint

- County health service
- School districts, Jamesville-DeWitt and Fayetteville-Manlius
- Hospitals (there were 20 in the 1950s, there are 4 today)
- City/County Youth Board
- Libraries
- City & state DOT, has resulted in quicker road repair

Seventeen questionnaires were collected at the end of the meeting. A summary of those responses follows:

Attendees additionally cited lack of job growth, high taxes, government entitlements, lack of cooperation with labor organizations, lack of a regional vision, youth violence spurred by a lack of employment and recreational opportunities, Central New York's inability to keep professional talent, economic disparities, and the haggling over the Destiny project as pressing community issues.

In answering how government could address some of those pressing issues, one attendee suggested that the "true cost" of the suburbs be revealed, and then people would be more apt to live in the city. Establishing trust between politicians and the voting public was a recurring suggestion, as was the fostering of a surrender of parochialism. For the schools, one attendee noted that parents have to get more involved in the learning process. Another person wrote that greater citizen participation is key.

Responding to the question of what they would change about local government if they could,

two people wrote that they would equalize the funding schools receive. Another person said they would establish annual benchmarks within long-term projects, so progress could be tracked. One person suggested that governments start providing fewer entities.

Examples of reorganization successes included Reston, Virginia. The city offered skilled professionals an attractive and vibrant cultural center and economic growth flourished as a result of that investment. Another person suggested that the county and the town governments combine their purchasing efforts. One person recommended a review of all the local governments, and even suggested that local governments start small. The crime lab and the numerous town garbage collection districts were other examples of reorganization successes.

The idea of eliminating some government jobs and the fear of diminishing local identities were listed as possible negative effects of reorganization. On the other hand, one person noted that marketing and publicity efforts for the region would be improved if reorganization occurred.

Lastly, nearly all of the respondents indicated that reorganization is very important to the CNY community. Three said it was somewhat important.

*Upstate New York:
A House Divided*

**Why New York State Must Change
Its "Rules of the Game"
To Reinvigorate
Regional Economic Growth**

**Prepared for the
Gamaliel NY
NYS Economic Summit
Syracuse, New York
May 20, 2005**

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EXECUTIVE SUMMARY

What gets built where for whose benefit? That is always the key question for our nation's metropolitan areas.

New York State puts everyone locally in charge, so no one's really in charge.

In an Age of Sprawl, New York State has created the worst possible combination of "the rules of the game."

First, the legislature has set up a system that divides the entire state into 1,545 cities, villages, and towns with inflexible boundaries that cannot adapt to changing demographic and economic conditions.

Second, the legislature has delegated land use planning and zoning authority to each of those 1,545 municipalities without any semblance of state standards for regional growth management.

Third, by making those 1,545 municipalities highly dependent on local property taxes, the legislature has pitted localities against each other in a constant struggle over tax rateables.

For Upstate New York, these chaotic state "rules of the game" have contributed significantly to

- minimal inflation-adjusted growth in wealth and income of whole metropolitan regions in recent years;
- a pattern of "progress" in outer-ring towns at the expense of central cities, many villages, and the more built-out, inner-ring towns; and
- an inability of the many "little boxes" governments to mobilize the full resources of the region to compete effectively with "Big Box" regions elsewhere.

Unless the New York state legislature changes "the rules of the game," Upstate New York will continue to be "no-growth, slow-growth" regions.

Though it probably still has the constitutional authority, the legislature lacks the political will to reinstitute annexation by cities or to merge local "little boxes" governments into more viable "Big Box" cities.

Therefore, the legislature must institute wide-ranging reforms to end inter-municipal conflict, eliminate wasteful duplication of infrastructure expenditures, accelerate regional economic growth, and share benefits of such growth more equitably among municipalities.

The legislature must do so by assigning more responsibility and authority to a region's only local government – county government – that can accomplish for its citizens as a "Big Box" what the many "little boxes" cannot do individually.

Specifically, the 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 throughout all municipalities;
- empower county government to issue bonds against the county-wide tax base for all growth-supporting infrastructure investments of regional significance;
- 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; and
- institute a county-administered system of tax-base sharing so that all municipalities will share in the revenues generated by regional economic growth.

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" constituencies. Residents of Upstate New York share many common goals. An 18th century system of local government stands in the way of achieving their hopes for the 21st century.

INTRODUCTION

Upstate New York is widely perceived as having had the economic boom of the 1990s pass it by.

Four faith-based regional coalitions – ARISE of the Albany-Schenectady-Troy region, ACTS of the Syracuse region, VOICE-Buffalo/VOICE-Niagara/Lockport Area VOICE/ (all affiliates of the Gamaliel Foundation) and Interfaith Action of the Rochester region – are joining together to form a statewide coalition. In preparation for their first Economic Summit in Syracuse on May 20, 2005, they commissioned David Rusk to prepare this background study of economic trends in their regions.¹

The report will focus on economic trends primarily for the four sponsoring regions, but will include data, as appropriate, on Upstate New York's five smaller metropolitan areas (Binghamton, Elmira, Glens Falls, Jamestown, and Utica-Rome).

The report will document six propositions about Upstate New York's metropolitan areas:

- over the past fifteen years inflation-adjusted growth in property tax base has been minimal (except for the Capital region); outer-suburban “progress” has been at the expense of central cities, many villages, and some older, more built-out, inner-suburban towns;
- during the 1990s inflation-adjusted growth in total regional household income was minimal and inflation-adjusted growth in regional median household income was non-existent; the problems of declining incomes now reaches beyond central city limits to affect some older, inner suburban communities;
- metropolitan areas in Upstate New York are highly fragmented governmentally into many “little boxes;”
- there is a causal link between high levels of governmental fragmentation, social fragmentation, and slower regional economic growth;
- despite fragmented governance, economic markets span multiple jurisdictions; as economic regions, the *real* cities of Upstate New York are entire urbanized areas; and

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- Upstate New York's *real* cities (its highly fragmented, urbanized areas) are not economically competitive with regions with actual, unified cities of comparable area and population at their core.

Finally, the report will conclude with recommended reforms that the state legislature must implement if the *real* cities of Upstate New York are to be restored to economic competitiveness nationally.

Trends in Property Wealth

It is nearly impossible to make valid state-to-state comparisons of relative property wealth. Among the fifty states there are fifty different methodologies for determining assessed valuation.

Within the same state decade-to-decade comparisons can be treacherous as assessment methodologies change. However, the New York State Comptroller's Office maintains records of consistently-defined "full value of taxable property." Electronic files covering all 57 counties and 1,575 municipalities are available from 1980 onward and have been provided for the years 1980, 1990, 2000, and 2004 for this study.

Data are presented for all counties, cities, villages, and towns for the nine metropolitan areas of upstate New York in Appendix A. One of the tables will show, for example, that in 1980 the full value of taxable property for the city of Buffalo was \$3,113,226,518; twenty-four years later, in 2004, that figure had grown to \$5,312,877,063 – more than a \$2 billion increase. That sounds like progress.

But wait! A dollar in 2004 was not worth what a dollar was worth in 1980 because of inflation. As a matter of fact, the total increase in the national Consumer Price Index over those 24 years was 130 percent. If the full value of the city of Buffalo's taxable property had just kept up with inflation, it would have amounted to \$7,151,081,312 in 2004. Instead, adjusted for inflation, the city of Buffalo lost -27 percent of its property tax base from 1980 to 2004.

Table I summarizes percentage changes for Upstate New York areas. For all regions except Buffalo, Jamestown, and Elmira, the 1980s were still a period of inflation-adjusted ("net"), double-digit growth. However, in the fourteen years since, the net growth in regional property wealth has dropped off for most metro areas. Net growth was modest for the Elmira (+27 percent), Buffalo (+20 percent), and Jamestown (+17 percent) regions – all rebounding from their stagnant 1980s. Net growth was minimal for the Utica-Rome (+11 percent) and Rochester (+8 percent) regions, and the Syracuse (-6 percent) and Binghamton (-12 percent) regions actually suffered net losses.

If regions were private investors, even the "winners" experienced disappointing rates of net return (that is, after they had hedged against inflation). The inflation-adjusted annual rate of return on their investment ranged from Elmira (1.7 percent a year) to Rochester (0.6 percent a year). For that kind of return, our hypothetical investor-regions might have just sat back and put their money into a passbook savings account.

The exceptions to this pattern were the Albany-Schenectady-Troy region (+41 percent) and the adjacent Glens Falls region (+43 percent). There is no mystery about the Albany-Schenectady-Troy region's relative success. Among America's 331 metropolitan areas, state capital regions form a privileged class. The power and wealth

of state government has grown over the decades, generating regional wealth from the growing ranks of state employees and the legions of lobbyists and state associations headquartered in the capital region to influence legislators and regulatory agencies. In addition, many state capitals are also hosts to their state university system's flagship campus.²

Such regional growth that did occur in Upstate New York's regions came at the expense of serious erosion of the tax bases of most of its central cities. Just during these fourteen years (1990 to 2004), Elmira lost -9 percent of its tax base; Schenectady -11 percent; Niagara Falls -17 percent; Buffalo -18 percent; Jamestown -18 percent; Rome -19 percent; Syracuse -21 percent; Utica -27 percent; Binghamton -29 percent; and Rochester -37 percent. All, of course, are "inelastic cities" with fixed boundaries, unable to annex adjacent development as almost three-quarters of America's other central cities regularly do.³

The same malady of "inelasticity" affects villages that are similarly boundary-constrained and have little or no vacant land for ready development. Collectively, (again with the exception of Capital region's villages, that saw +27 percent growth), the average net growth in property tax base of a region's villages average ranged from a low of -21 percent (Binghamton) to a high of +20 percent (Buffalo).

Village tax base growth, however, was modest indeed compared with typical growth rates of towns. These generally-land rich towns are the beneficiary of virtually unfettered urban sprawl. With the exception of towns of the Binghamton and Syracuse areas,⁴ the net growth in town tax bases collectively ranged from a low of +19 percent

² With the context of its state capital region peers, however, the Albany-Schenectady-Troy region is a weak performer. During the 1990s, total jobs in the Albany-Schenectady-Troy region grew only +9 percent compared for an average +26 percent increase among the 40 other state capital regions that are also metro areas. During the 1990s also, real personal income per capita in New York's Capital Region grew only +10 percent compared with +17 percent for the other 40 capital regions. By these two important measures of economic performance, New York's Capital Region outperformed only Springfield, IL; Dover, DE; Providence, RI; Topeka, KS; Hartford, CT; and Honolulu, HI.

³ As a matter of fact, during the 1990s, 348 "elastic" central cities annexed 2,697 square miles of new subdivisions, office and industrial parks, or developable land – a 17 percent increase (and collectively an area larger than the entire state of Delaware). This figure does not include the impact of city-county consolidation of Athens-Clark County, GA and Augusta-Richmond County, GA that added, in effect, 111 square miles and 282 square miles, respectively, to their municipal territories. (At 302 square miles, Augusta-Richmond alone is almost geographically larger than Upstate New York's 15 central cities *combined* [316.9 square miles] and only the inclusion of Rome [74.9 square miles] edges the group's collective land area ahead of this single "elastic city.")

⁴ The net loss of the Syracuse region's 79 towns (-2 percent) was almost entirely due to a devastating \$2 billion loss of tax base in the town of Scriba, which (if not a glitch in the Comptroller's records) represented probably the creation (in the 1980s) and then

(Rochester) to a high of +54 percent (Albany-Schenectady-Troy), with the five other region's average town growth falling in the 35 percent to 49 percent range.

However, under the Iron Law of Urban Sprawl, "yesterday's winners become today's losers and today's winners become tomorrow's losers." Outside Buffalo, first-ring suburbs Cheektowaga Town and Tonawanda Town are now sliding downhill (-6 percent and -15 percent, respectively, in the past four years) while second-ring Amherst Town has hit a lull (-2 percent in the same period), but third-ring Clarence Town continues to soar (up +13 percent since 2000, up +102 percent for the last fourteen years).

The same decline is evident for Rochester's first-ring towns, for example, Brighton (only +2 percent), Greece (only +1 percent), Irondequoit (-6 percent) and Gates (-17 percent) over the past fourteen years.

Thus, over the past fourteen years Upstate New York's inflation-adjusted growth in property tax base has been minimal (except for the Capital area). Outer-suburban "progress" has been at the expense of the decline of central cities, many villages and some older, more built-out, inner-suburban towns.

Trends in Household Income

Let us turn our analysis from trends in regional property wealth to trends in regional household income. Table II compares net change in total household income and median household income for Upstate New York's nine metro areas with the rates for the United States for the decades of the 1990s (more precisely, 1989 to 1999).

In terms of net growth in total household income (that is, the combined income of all households living in a region), Upstate New York's regional growth ranged from zero growth (Binghamton) to 16 percent growth (Glens Falls). As a group, the net growth in total household income of all nine regions combined was only 9 percent – barely one-third of the USA's net growth (26 percent).

As with the case of property wealth, however, any regional growth reflected "progress" among the outer-towns at the expense of central cities. *In the 1990s every central city in Upstate New York lost total household income with just two exceptions.* Net losses ranged from Elmira (-2 percent) to Syracuse (-11 percent).

The exceptions were Auburn (a modest +3 percent increase) and Saratoga Springs (a national average-exceeding 29 percent increase). In fact, Saratoga Springs holds an even more unique status. Among the central urban places at the heart of New York's 57 counties back in 1950, Saratoga Springs is the only city or village that was better off (relative to its surrounding county) in Census 2000 than it was in the 1950 census. In effect, over the past fifty years Saratoga Springs was the only central place that beat New York State's "rules of the game" that otherwise condemned all other 56 central places to steady decline in an Age of Sprawl.⁵

Inner-ring towns are also now stagnating. Rochester's first-ring towns – Irondequoit (+1 percent), Brighton (+3 percent), Gates (+4 percent), and Greece (+6

subsequent closing (in the 1990s) a mega-factory or perhaps a big (possibly nuclear) power plant.

⁵ See Appendix B for this analysis.

percent) – all had minimal net growth. Among Buffalo’s suburbs, first-ring Tonawanda Town was, in effect, stagnant (+2 percent), though, buoyed up by the impact of the expanded Buffalo-Niagara International Airport, First-ring Cheektowaga did better (+6 percent). Formerly high-flying, second-ring Amherst cooled off (+8 percent) while the new regional meteor, Clarence, streaked across the heavens (+69 percent).

The benefits of the 1990s boom nationally largely flowed to the highest quintile of households. Only the tightest job market in memory began to lift inflation-adjusted wages and salaries for the middle and lower quintiles by the last years of the boom. As a result, net median household income nationally increased only +4 percent.

But Upstate New York’s regions did worse. Five of the nine – Albany-Schenectady-Troy (-1 percent), Glens Falls (-3 percent), Rochester and Syracuse (-5 percent), and Binghamton (-8 percent) saw regional median household income actually decline, while only the Elmira area (+4 percent) came up to the national average.

Net decline in median household income was even greater in many of Upstate New York’s central cities with Schenectady (-10 percent), Albany and Rochester (-11 percent), Syracuse (-12 percent) and Glens Falls (-18 percent) hitting double-digit declines. Only (as expected) Saratoga Springs (+8 percent) and (to my surprise) Elmira (+9 percent) saw healthy increases in net median household income.

Every first-ring suburb cited of Rochester and Buffalo experienced net decreases in median household income as did once high-flying Amherst (-1 percent) while third-ring Clarence (+13 percent) reaped the benefit of both wealthier households moving out from core communities and regional newcomers moving in to the new “place to be.”

In summary, during the 1990s inflation-adjusted growth in total regional household income was minimal and inflation-adjusted growth in regional median household income was non-existent. The problem of declining incomes now reaches beyond central city limits to affect some older, inner suburban communities.

The Fragmentation of Regional Governance

In his book *The Regional Governing of Metropolitan America* (Westview Press: 2002) University of Pittsburgh’s David Y. Miller presented his Metropolitan Power Diffusion Index (MPDI), the most sophisticated measure yet developed of the relative degree of governmental fragmentation in metropolitan areas. Drawing upon successive reports of the Census Bureau’s Census of Governments from 1972 to 1992, Miller analyzed the degree to which twenty-one different public services were delivered either by multiple local governments or by relatively few. The MPDI is a weighted measure of relative fragmentation (that Miller termed “diffusion”) for 311 metro areas.

Highly fragmented metro areas (that I have called “little boxes” regions) receive high scores. In 1992 the highest was the Philadelphia PA-NJ PMSA with a score of 15.40. Highly centralized metro areas (that I have called “Big Box” regions) receive low scores. In 1992, the lowest was Owensboro, KY MSA with an MDPI score of 1.44.⁶

⁶ Had they been rated, Anchorage, AK MSA and Honolulu, HI MSA would undoubtedly have been assigned MPDI scores of close to 1.00. Both have consolidated city-county governments in single county metro areas.

By Miller's MPDI methodology, New York State had the eighth most governmentally fragmented metropolitan area, as shown in Table III.

Table III
Relative Fragmentation/Centralization of
Regional Governance by state, and
by New York Metro Area, in 1992

<u>metro area</u>	<u>no. metro areas</u>	<u>MPDI score</u>
Pennsylvania (worst)	15	7.60
New York (8 th worst)	13	5.25
Upstate New York	8	5.05
Albany-Schenectady-Troy		7.84
Rochester		6.54
Utica-Rome		5.74
Syracuse		5.49
Binghamton		5.21
Glens Falls		4.63
Buffalo		4.03
Niagara Falls		3.31
Elmira		2.69
(Note: Jamestown was not rated)		
Greater New York City area		5.68
Average of 311 metro areas		4.17
Virginia (best)	6	2.40

Governmental Fragmentation and Segregation

Based on rigorous statistical research, Miller found a high correlation between governmental fragmentation and racial and economic segregation.

“Even when accounting for population [size] and region [of the country], jurisdictional diffusion is significantly and unquestionably linked to Black segregation in metropolitan America.... Too much diffusion of power in metropolitan areas serves to increase the probability of racial segregation....

“Gaps between rich and poor communities will always be a part of the metropolitan environment.... However, the distance between rich and poor should be minimized or, at least, kept from widening... In the Allegheny County case (i.e. metro Pittsburgh area), the gap between the richer and poorer communities is growing – and at an alarming rate....”

Why should the level of racial and economic segregation be influenced by governmental structure?⁷ My explanation comes principally from the experience of

⁷ There are certainly factors in the picture that may indeed be regarded as “happenstance.” On the whole, elastic (or low MPDI) metro areas are somewhat younger; more of their population growth has occurred in the post-civil rights revolution era and such metro areas have also had greater proportional growth in their housing

having consulted in over 100 metro areas and having analyzed housing patterns on a jurisdiction-by-jurisdiction basis in most of them and on a tract-by-tract basis in over seventy metro areas. In "little boxes" regions, I have found that the (generally) unspoken mission of most "little boxes" town councils (and most "little boxes" school boards) is "to keep our town (or our schools) just the way they are for people just like *us*" -- whoever "us" happens to be. Up until a generation ago, the tools used were overtly racially discriminatory. After the Civil Rights Act of 1968 and (probably as significant) the enforcement of equal opportunity lending laws, economically exclusionary zoning has replaced overt racially discriminatory practices. As housing barriers based purely on race have been slowly lowered, barriers based on income are being raised. Jim Crow by income is steadily replacing Jim Crow by race.

Thus, when a local government adopts a zoning code that requires large minimum lot sizes or large minimum square footage for new home construction or that loads expensive requirements onto apartment construction (such as two or more covered parking spaces per rental unit), they are always be justified on "objective" quality-of-life or fiscal considerations.⁸ However, their effect (and often their intent) is to exclude modest- and lower-income families from the community -- with significant racial implications. In particular, one will almost never find "little boxes" suburban jurisdictions consenting to construction of public housing (except for subsidized housing for the elderly).

I do not argue that members of "Big Box" city councils and planning commissions always conduct themselves like good Boy Scouts or good Girl Scouts. However, their "us" tends to be a more racially and economically diverse constituency to which they must be responsive. "Big Box" city councils and planning commissions do not practice exclusionary zoning as relentlessly as "little box" town councils and planning boards.

Moreover, "Big Box" jurisdictions provide a broad geographic framework for implementation of certain public policies. Let us take the example of public housing policy. To this day, public housing authorities cannot build projects outside their charter jurisdiction (almost invariably, the central city) without an inter-governmental agreement (which is never forthcoming). Until 1989, when Congress enacted "portability," the same strictures applied to utilizing rental vouchers. Despite their broader application now, city housing authorities still tend not to seek out suburban apartment properties for their Section 8 clients.

markets. More apparent opportunity to move around in a regional housing market regulated (ostensibly) by equal housing opportunity laws should contribute to lowering residential segregation. Age of housing stock also affects the formation of racial and economic ghettos. In many metro areas of the South (where many elastic cities are found), moreover, a black population has traditionally been located in rural areas, while blacks have been largely excluded from Northern rural areas. Statistically, that affects the calculation of segregation indices on a census tract-by-census tract basis.

⁸ Fiscal considerations are always cited in "little boxes" states like Connecticut and New Jersey where local governments are heavily dependent on property taxes.

As a result, the geographic size of the central city (that is, a public housing authority's charter jurisdiction) has significant consequences on the census tract-by-census tract distribution of very low-income families (who are also heavily black and Hispanic). It makes a big difference whether that jurisdiction is 40-square mile Buffalo (fair share of poverty index: 224, or more than twice the city's proportional share of the poor; regional economic segregation index: 44, or tenth worst out of 105 metro areas) or is 242-square mile Charlotte (fair share of poverty index: 115; regional economic segregation index: 30, or ninth best). "Big Box" versus "little boxes" counts.

Governmental Fragmentation and Economic Development

In the research community there is near universal recognition that central cities and their suburbs are certainly integral and inseparable parts of metropolitan economies. Whether or not there is a *causal* inter-relationship between the relative health of central cities and their suburbs has given rise to a lively academic debate. Does it matter how metropolitan governance is organized (i.e. "Big Box" vs. "little boxes")?

In my view, the most rigorous analysis of the interrelationship of governance and economic growth has been carried out by Carnegie Mellon University's Jerry Paytas.⁹ Paytas used Miller's Metropolitan Power Diffusion Index as the measure of relative governmental fragmentation, and utilized a sophisticated shift-share statistical technique applied to long-term metropolitan economic growth that "accounts for national growth, industrial composition and productivity." Paytas found that

"fragmented governance at the metropolitan level reduces the competitiveness of the metropolitan economy.... The results 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.

"The addition of new units of government either to accommodate new population growth, shifting residential patterns, or to finance additional development expenditures, tends to increase fragmentation the most. This research indicates that the proliferation strategy is a trap for the long-term health of local governments."¹⁰

⁹ Jerry Paytas, "Does Governance Matter? The Dynamics of Metropolitan Governance and Competitiveness." Working paper, Carnegie Mellon Center for Economic Development (2002). Available at www.smartpolicy.org/publications.smtml.

¹⁰ Paytas elaborates on this point with regard to special districts as follows: "The catch-22 is that local governments have created new units of government, especially authorities and special districts, in order to evade the controls and debt limits placed on them by state governments. Technically, the creation of new governments keeps the debt off the books

Paytas writes that “fragmented regions are less likely to mobilize the *consensus* for change [emphasis added].” To that, I would add that fragmented regions have even greater difficulty mobilizing the *regional tax base* to support change through infrastructure investments. (That, indeed, is often the impetus for setting up multi-jurisdictional special districts.)

How does governmental fragmentation impede Upstate New York’s regions from being effective economic competitors?

What’s the Real City of Buffalo?

What is the *real* city of Buffalo? Is it just a 40 square mile, 292,000-person municipality that has lost half its population since its peak a half century ago? A municipality whose current fiscal crisis is so severe that the state of New York is imposing a financial control board?

Or is the *real* city of Buffalo defined by how Western New Yorkers really conduct their lives? A family may live in Lancaster, but the husband works in Lackawanna and his wife at the Buffalo-Niagara International Airport in Cheektowaga. Their son attends the University at Buffalo (located in Amherst), but their daughter is applying to Canisius College in Buffalo. Avid football fans, they hold season tickets for Bills games at Ralph Wilson Stadium in Orchard Park. They frequent Eastern Hills Mall in Williamsville, while major medical problems may take them to Children’s Hospital in downtown Buffalo. A Taste of Buffalo and the Allentown Arts Festival are very popular events with area residents and visitors alike.

In short, they cross municipal boundaries back and forth every day. As a common labor market, housing market, commercial market, cultural and entertainment zone, the *real* city of Buffalo is the whole urban region.

Census 2000 defined the *real* city of Buffalo as the “Buffalo urbanized area,” containing 977,000 residents in 367 square miles of urbanized land. That definition includes the City of Niagara Falls as well as other urbanized portions of Niagara County. For reasons that will become clear below, I will restrict my discussion to the Erie County share of the *real* city of Buffalo.

The *real* city of Buffalo (Erie County portion) has about 810,000 residents and covers about 300 square miles. It includes, of course, the cities of Buffalo, Lackawanna, and Tonawanda, as well as all or most of the towns of Amherst, Cheektowaga, Elma, Grand Island, Hamburg, Lancaster, Orchard Park, Tonawanda, and West Seneca. It includes, of course, the villages that lie within these towns – Blasdell, Depew, Hamburg,

of the municipality. However, the credit-rating agencies often examine the total debt of local governments, related authorities, and special districts when they issue bond-quality ratings. Even though this debt is not legally the obligation of the municipality, the ability to repay the debt is determined by the same tax base. While the addition of new units of government is often a strategy that local leaders believe is necessary, it is not sustainable. The creation of new units to support debt is analogous to an individual who gets new credit cards to finance additional expenditures. This individual is able to spend more, but less likely to be able to repay the mounting debt.

Kenmore, Lancaster, Orchard Park, Sloan, and Williamsville. The neighborhoods on the *real city's* edges include Billington Heights and East Aurora Village in the town of Aurora; urbanizing Clarence Center and Harris Hill in the town of Clarence; the North Boston section of the town of Boston; an urbanizing section of the town of Eden; and, south along the lakeshore, within the town of Evans, Angola on the Lake, Lake Erie Beach and the Village of Angola.

Is it hard for Western New Yorkers to visualize one city this populous and extensive? Not when traveling around the country or abroad. If our hypothetical family is asked "where are you from?" and responds, "Lancaster," they'll draw blank stares (unless a very savvy questioner thinks, "Ah! Pennsylvania Dutch country"). Instead, they'll say "Buffalo."

To help visualize the *real city*, just think about other cities of roughly the same population and geographic size. The closest municipal matches are Indianapolis (782,000; 361 sq. mi.), Jacksonville (736,000; 349 sq. mi.), Columbus (711,000; 210 sq. mi.), Austin (657,000; 252 sq. mi.), and Memphis (650,000; 279 sq. mi.). These, of course, are actual municipalities – single, unified governments serving populations and geographic areas that are comparable to the *real city* of Buffalo.¹¹ By contrast with these "Big Box" governments, the governance of the *real city* of Buffalo is fragmented among, by my count, 27 "little boxes" cities, towns, and villages.

Why should "Big Box" versus "little boxes" matter? One reason is that there is a high correlation between highly fragmented local governance in metro areas and a) high degrees of racial and economic segregation, and b) slower rates of economic growth. Though the evidence rests on a data base of 310 metropolitan areas, these observations hold for our small sample comparison. Measured at the metro area level, Buffalo is more racially and economically segregated than Indianapolis, Jacksonville, Columbus, Austin or Memphis.¹² And each of these "Big Box" regions has generated new jobs many times more rapidly than the "little boxes" Buffalo region.

Many complex factors shape regional economic trends, such as changing technology, greater workforce education (leading to higher productivity), international competition, Rust Belt to Sun Belt shifts, etc. As a "smokestack" economy, the Buffalo region was headed for trouble in the 1970s and 1980s regardless of governance arrangements. And three of the *real city* of Buffalo's municipal peers (Indianapolis, Columbus, and Austin) are state capitals; state capital regions have historically prospered.

¹¹ Each of these central cities, of course, has suburbs, but the unified cities dominate their urbanized areas. The city of Indianapolis contains 65 percent of the population of its urbanized area; Jacksonville, 85 percent; Columbus, 53 percent; Austin, 79 percent; and Memphis, 67 percent. By contrast, the City of Buffalo is home to only 30 percent of its urbanized area's residents.

¹² On a scale of 0 to 100 (100 = total apartheid), metro Buffalo's housing segregation index for African Americans was 77 in 2000; Indianapolis, 71; Jacksonville, 54; Columbus, 63; Austin, 52; and Memphis, 69. Metro Buffalo's economic segregation index was 44 in 1999; Indianapolis, 37; Jacksonville, 32; and Columbus, Austin, and Memphis, 41.

However, a region's capacity to organize and leverage its public assets affects its ability to respond to economic challenges and opportunities.

Consider, for example, property tax base – the foundation of the ability to make critical public infrastructure investments. The *real* city of Buffalo's property tax base was about \$28 billion (state equalized value) in 2001, but the actual City of Buffalo's property tax base was only \$5.2 billion – and, adjusted for inflation, the actual City of Buffalo's tax base had *shrunk* by 27 percent in the previous five years! When the actual City of Buffalo seeks to sell its bonds to finance capital improvements, it is burdened by a near-“junk bond” Baa2 credit rating. It costs Buffalo more to borrow.

Recently, the Town of Amherst surpassed the City of Buffalo as the region's largest property tax base (\$5.4 billion). Much of Amherst's growth has come at Buffalo's expense. With a still-growing town economy and as yet largely unburdened by Buffalo-type responsibilities for social programs, the Town of Amherst sports a very respectable Aa3 credit rating.

But within this *real* city of Buffalo, the different “neighborhoods” are largely playing an almost zero-sum game. Amherst, Cheektowaga, and Clarence's gains are largely offset by Buffalo, Lackawanna, and Tonawanda City's losses. From 1996 to 2001, adjusted for inflation, the *real* city of Buffalo's tax base grew an anemic 6 percent. (Erie County's total tax base grew only 7 percent in real terms.) And, fragmented into 27 separate jurisdictions, no municipality can access the *real* city's \$28 billion tax base.

Contrast that with the wealth and credit ratings of the *real* city of Buffalo's municipal cousins: the City of Indianapolis (\$ 29 billion in 2000; Aaa); the City of Jacksonville (\$ 34 billion in 1999; Aa2); the City of Columbus (\$ 32 billion in 2001; Aaa); the City of Austin (\$ 44 billion in 2001; Aa2); and the City of Memphis (\$ 31 billion in 2002; Aa2). With the exception of Austin, the wealthiest city in Texas, these municipalities have only slightly more property wealth than the *real* city of Buffalo. However, they draw upon their entire tax bases, borrowing cheaply because of their high credit ratings. These cities all have superior credit ratings to Amherst, the *real* city of Buffalo's best “neighborhood,” but have tax bases that are six to eight times greater than Amherst's. Austin, Indianapolis, Jacksonville, Columbus, and Memphis can pay for what they need to do for themselves – and for their regions – without state aid. Amherst may now be able to pay for its own strictly “neighborhood” needs, but neither Amherst nor the poverty-impacted, fiscally-strapped City of Buffalo can compete with the likes of Indianapolis, Jacksonville, Columbus, Austin, and Memphis.

Let's apply our question to other major regions of Upstate New York.

What's the *real* city of Rochester – a 36-square mile, 218,000 person municipality, or the 295-square mile, 695,000 resident urbanized area?

What's the *real* city of Albany – a 21-square mile, 96,000 resident municipality, or the 284-square mile, 559,000 resident urbanized area?

What's the *real* city of Syracuse – a 25-square mile, 147,000 resident municipality, or the 180-square mile, 402,000 resident urbanized area?

Clearly, the *real* cities of Upstate New York are their urbanized areas.

Who are these real cities peer communities?

Since the *real city* of Rochester is about the same size as the *real city* of Buffalo, its peers are the same: Indianapolis, Jacksonville, Columbus, Austin, and Memphis.

The peers of the *real city* of Albany are Denver, Nashville, Charlotte, Fort Worth, Portland, Oklahoma City, and Tucson.

The peers of the *real city* of Syracuse are Albuquerque, Kansas City, Fresno, Virginia Beach, Sacramento, Tulsa, Omaha, Colorado Springs, and Wichita.

Appendix C provides data comparing area and population, municipal bond ratings, regional employment and personal income growth for each of these real Upstate New York cities and their peers. For purposes of the economic development focus of this report, Table IV summarizes key data.

The pattern is clear. Regions with strong, healthy, muscular, growing central cities at their core have outperformed economically Upstate New York's regions with their weak, sickly, anemic, shrinking central cities at their cores. For all the self-satisfaction that the outer suburbs of Buffalo, Rochester, Albany-Schenectady-Troy, and Syracuse may feel, Upstate New York regions are minor leaguers compared with the competition. Indeed, they are not even "the competition" in the others' eyes.

Table IV
Key Regional Economic Indicators
for Real Cities of Upstate New York and Their Peers

<u>real city and its peers</u>	<u>bond rating* in 2002</u>	<u>job growth 1989-99</u>	<u>income growth 1989-99</u>
Buffalo five peer cities	Baa2 Aa1+	4% 33%	12% 22%
Rochester five peer cities	A2 Aa1+	8% 33%	5% 22%
Albany seven peer cities	A2 Aa1+	9% 34%	10% 19%
Syracuse nine peer cities	Baa1 Aa2	4% 25%	5% 13%

*bond ratings of actual municipalities

* * *

In *Capitalism, Socialism, and Democracy* (1942), the famed economist Joseph Schumpeter coined the phrase "creative destruction" – "a process of industrial mutation

that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one.”

The growth patterns abetted by New York State’s “rules of the game” are certainly “destructive.” There is serious doubt about whether they are at all “creative.” Upstate New York is largely caught up in a zero-sum game. Progress of one “little box” comes at the expense of some other “little box.” With so little net growth occurring, it is hard to credit that the “creative destruction” fostered by New York State’s “rules of the game” are creating a “new” anything. Much the same households, jobs, and property tax base are simply being spread out over more and more land at tremendous cost in terms of new public infrastructure required – and even greater cost in terms both public existing public infrastructure and private assets abandoned.¹³

A Program of Legislative Reforms

Quite simply, the state of New York has the wrong “rules of the game” in effect. On the one hand, it has not enacted a strong state growth management law that would allow older communities to put brakes on constant peripheral development and core disinvestment. On the other hand, state law does not allow older communities to expand through annexation to capture their “market share” of urban sprawl. Central city mayors are required by the state to play a game that they cannot win. And more and more, supervisors of more built-out, inner-ring suburbs are finding that they are not being dealt many winning hands as well.

Today’s state legislature is not going to abolish its “little boxes” system. New York legislators once had the vision and courage to enact far-reaching governance reforms. In 1897, the legislature abolishes the first and seventh most populous cities in America (Manhattan Island-based New York City and Brooklyn), merged them with three semi-rural counties (Bronx, Queens, and Richmond), and created the USA’s first metropolitan city – the five borough New York City. It was fabulously successful until post-war sprawl began sucking its middle-class out to Long Island, Westchester, Fairfield County CT, and Northern New Jersey. Later, in 1948, New York State still had 5,112 separate school districts. Over the next decade the legislature consolidated them into roughly the 715 school districts that exist today. It is almost inconceivable that any legislator or governor would propose similar reforms today.

The next state constitutional convention in 2017 might propose such a far-reaching reform, but that can only occur after a determined, extensive, multi-year, grassroots campaign – certainly a daunting mission for groups like faith-based coalitions sponsoring the May 20th economic summit.

So the challenge becomes not to merge “little boxes” *structurally* into a “Big Box” but to find ways that the “little boxes” *functionally* can act as one “Big Box.”

¹³ During the 1990s, setting aside New York City’s population growth within its fixed acreage (New York City accounted for two-thirds of the state’s net population growth), the rest of the state saw 1.49 acres developed for each added resident – sixth worst ratio of land consumption to population growth among all state and second only to Pennsylvania (2.46 acres per net new resident) among more populous states.

The *real* city of Buffalo (or Rochester or Albany or Syracuse) has only one "Big Box" government that can potentially compete in the "Big Box" League – its county government. Upstate New Yorkers are accustomed to thinking of only their cities, towns, and villages as their "local" governments, but Erie County is actually Buffalo's 45th local government; Monroe County government is Rochester's 31st local government; Albany County government is its 20th local government; and Onondaga County government is Syracuse's 36th local government. They are the only local governments that can do for the *real* cities of Upstate New York collectively what their myriad "little boxes" neighborhoods (cities, villages, and town) cannot achieve separately.

In all four regions reformers have put forth proposals for inter-municipal consolidation of various public services in pursuit of greater governmental efficiency. Certainly, saving taxpayer dollars by reducing needless duplication and utilizing advantages of scale is always important.

But, in my view, it is *not service inefficiency but regional ineffectiveness* that is the *real* cities of Upstate New York's great challenge. For example, having several municipalities share road maintenance equipment promotes greater service efficiency, but implementing an anti-sprawl, regional land use and transportation plan so that fewer miles of new roads are built that must be forever maintained leads to greater regional effectiveness. Centralizing criminal investigation resources among police departments increases service efficiency, but instituting a regional, "fair share" housing policy that steadily eliminates high-poverty conditions that generate much criminality creates greater regional effectiveness.

The actual City of Buffalo is under a state financial control board and some other Upstate New York cities are not far behind Buffalo's slide into fiscal crisis. They cannot be restored to better fiscal and economic health just through better management. There must be a fundamental change in regional development patterns.

Article 5-G ("Municipal Cooperation") of the General Municipal Code provides broad authority for intergovernmental agreements among municipalities (including with counties) for shared services. Article 5-J ("Inter-municipal Cooperation; Shared Services") explicitly provides for inter-municipal, even county-wide, cooperation in comprehensive planning and land use regulation.

Their fatal flaw is that voluntary agreement by the governing body of any municipality involved must be given. Each "little box" can exercise a veto. "Little boxes" never collaborate on tough, controversial problems, especially on the issue of what gets built where for whose benefit. Interests of residents of the *real* cities of Upstate New York that go beyond their "neighborhood" boundaries are held hostage by the turf protection of "little boxes" officials.

The citizens of the *real* cities of Upstate New York need new state laws that lets them act as citizens of the *real* city. They need to be able to empower county governments to act on their behalf through assuming certain responsibilities that are currently assigned to cities, towns, and villages. Specifically, the 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 throughout all municipalities;
- empower county government to issue bonds against the county-wide tax base for all growth-supporting infrastructure investments of regional significance;
- 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; and
- institute a county-administered system of tax-base sharing so that all municipalities will share in the revenues generated by regional economic growth.

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" constituencies.¹⁴

Many residents of Upstate New York share a common goal – to accelerate regional economic growth in a manner that fulfills both their stewardship toward nature and their stewardship towards their fellow man. Economic opportunity, environmental protection, social justice.

An 18th century system of local government stands in the way of achieving this goal in the 21st century.

Skeptics will say such reforms will *never* happen in New York State.

Never is a long time and faith can move mountains.

¹⁴ State Assemblyman Sam Hoyt has introduced Act 04292 ("the Erie County Compact Act") to achieve this goal for the Buffalo area.

TABLE I
INFLATION-ADJUSTED CHANGES IN FULL VALUE OF TAXABLE PROPERTY
FOR UPSTATE NEW YORK METROPOLITAN AREAS FROM 1980 TO 2004

metro area	central city	other	change 1980-90	change 1990-00	change 2000-04	change 1990-04	annual percentage 1990-04
Buffalo-Niagara Falls			3%	23%	-2%	20%	1.3%
	Buffalo		-9%	-10%	-9%	-18%	
	Niagara Falls		-25%	-10%	-8%	-17%	
		other cities	-14%	6%	-9%	-4%	
		all villages	-1%	24%	-4%	20%	
		all towns	15%	35%	1%	36%	
Rochester			26%	8%	0%	8%	0.6%
	Rochester		4%	-25%	-16%	-37%	
		other cities	9%	14%	-2%	12%	
		all villages	7%	14%	-1%	13%	
		all towns	36%	15%	4%	19%	
Albany-Schenectady-Troy			38%	27%	11%	41%	2.5%
	Albany		46%	1%	3%	4%	
	Schenectady		2%	-4%	-8%	-11%	
	Troy		42%	7%	0%	7%	
	Saratoga Springs		58%	42%	31%	86%	
		other cities	18%	13%	-4%	9%	
		all villages	31%	25%	2%	27%	
		all towns	43%	36%	14%	54%	
Syracuse			45%	-1%	-5%	-6%	-0.5%
	Syracuse		12%	-12%	-10%	-21%	
	Auburn		-1%	14%	-6%	7%	
		other cities	2%	-38%	-7%	-42%	
		all villages	22%	15%	-2%	13%	
		all towns	65%	2%	-4%	-2%	

**INFLATION-ADJUSTED CHANGES IN FULL VALUE OF TAXABLE PROPERTY
FOR UPSTATE NEW YORK METROPOLITAN AREAS FROM 1980 TO 2004**

metro area	central city	other	change 1980-90	change 1990-00	change 2000-04	change 1990-04	annual percentage 1990-04
Utica-Rome							
	Utica		21%	8%	3%	11%	0.7%
	Rome		17%	-18%	-10%	-27%	
		other cities	21%	-14%	-6%	-19%	
		all villages	10%	27%	1%	29%	
		all towns	24%	7%	-7%	0%	
			24%	24%	8%	35%	
Binghamton							
	Binghamton		45%	-17%	6%	-12%	-0.9%
		all villages	35%	-33%	8%	-28%	
		all towns	41%	-21%	0%	-21%	
			43%	-10%	7%	-4%	
Jamestown							
	Jamestown		5%	19%	-2%	17%	1.1%
		other city	-2%	-8%	-11%	-18%	
		all villages	-8%	-5%	-44%	47%	
		all towns	5%	18%	0%	18%	
			11%	31%	8%	41%	
Glens Falls							
	Glens Falls		54%	33%	8%	43%	2.6%
		all villages	35%	23%	-1%	22%	
		all towns	13%	23%	-4%	18%	
			62%	36%	10%	49%	
Elmira							
	Elmira		-8%	18%	7%	27%	1.7%
		all villages	-17%	-3%	-6%	-9%	
		all towns	-13%	21%	-4%	17%	
			-4%	28%	14%	45%	

Source for property valuation data: New York State Comptroller's Office
 Source for inflation adjustment: Statistical Abstract of the United State (2004-05)

TABLE II
NET (INFLATION-ADJUSTED) CHANGES IN TOTAL AND MEDIAN HOUSEHOLD INCOME
FOR NINE METROPOLITAN AREAS IN UPSTATE NEW YORK FROM 1989 TO 1999

metro area	central city	towns	total		net change 1989-99	median		net change 1989-99
			household income in 1989	household income in 1999		household income in 1989	household income in 1999	
United States			\$3,537,457,699,016	\$5,978,106,533,600	26%	\$30,056	\$41,994	4%
Albany-Schenectady-Troy			\$12,879,702,292	\$19,199,838,600	11%	\$32,416	\$43,250	-1%
Albany			\$1,347,605,142	\$1,698,967,300	-6%	\$25,152	\$30,041	-11%
Schenectady			\$809,854,848	\$1,023,337,400	-6%	\$24,316	\$29,378	-10%
Troy			\$610,220,091	\$789,502,900	-4%	\$23,362	\$29,844	-5%
Saratoga Springs			\$386,896,927	\$671,929,900	29%	\$30,938	\$45,130	8%
Binghamton			\$3,525,108,484	\$4,731,788,200	0%	\$29,245	\$36,374	-8%
Binghamton			\$628,561,994	\$796,920,900	-6%	\$20,891	\$25,665	-9%
Buffalo-Niagara Falls			\$15,775,115,565	\$23,220,252,900	9%	\$28,084	\$38,488	2%
Buffalo			\$3,363,113,793	\$4,276,332,100	-5%	\$18,482	\$24,536	-1%
Checktovaga (1st)			\$1,285,219,577	\$1,839,775,500	6%	\$29,223	\$38,121	-3%
Tonawanda (1st)			\$1,178,010,914	\$1,614,531,600	2%	\$31,078	\$41,453	-1%
Amblerst (2nd)			\$2,184,133,699	\$3,179,744,200	8%	\$41,466	\$55,427	-1%
Clarence (3rd)			\$371,765,528	\$847,267,700	69%	\$44,740	\$68,003	13%
Niagara Falls			\$666,432,572	\$867,471,400	-3%	\$20,641	\$26,800	-3%
Elmira			\$1,125,363,369	\$1,594,869,500	5%	\$26,135	\$36,415	4%
Elmira			\$308,754,799	\$405,435,400	-2%	\$18,548	\$27,292	9%
Glens Falls			\$1,502,714,393	\$2,349,948,300	16%	\$29,642	\$38,526	-3%
Glens Falls			\$203,846,279	\$254,655,600	-7%	\$27,312	\$30,222	-18%

TABLE II
NET (INFLATION-ADJUSTED) CHANGES IN TOTAL AND MEDIAN HOUSEHOLD INCOME
FOR NINE METROPOLITAN AREAS IN UPSTATE NEW YORK FROM 1989 TO 1999

metro area	central city	towns	total household income in 1989	total household income in 1999	net change 1989-99	median household income in 1989	median household income in 1999	net change 1989-99
Jamesstown	Jamesstown		\$1,578,345,299	\$2,297,327,800	8%	\$24,183	\$33,458	3%
			\$367,552,313	\$475,297,800	-4%	\$20,582	\$25,837	-7%
Rochester	Rochester		\$15,957,282,516	\$23,357,580,800	9%	\$34,234	\$43,955	-5%
	Brighton (1st)		\$2,645,371,802	\$3,350,026,900	-6%	\$22,785	\$27,123	-11%
	Gales (1st)		\$826,702,326	\$1,140,991,400	3%	\$41,458	\$52,066	-7%
	Greece (1st)		\$445,138,254	\$621,565,800	4%	\$37,251	\$45,709	-9%
	Irondequoit (1st)		\$1,480,943,976	\$2,119,754,000	6%	\$40,204	\$48,355	-11%
			\$903,033,164	\$1,228,230,400	1%	\$37,003	\$45,276	-9%
Syracuse	Syracuse		\$9,998,358,205	\$14,387,437,800	7%	\$31,050	\$39,750	-5%
	Auburn		\$1,787,591,601	\$2,151,715,900	-11%	\$21,242	\$25,000	-12%
			\$323,926,013	\$450,764,500	3%	\$22,271	\$30,281	1%
Utica-Rome	Utica		\$3,686,859,601	\$5,219,543,000	5%	\$25,958	\$35,292	1%
	Rome		\$721,532,969	\$884,385,700	-9%	\$19,950	\$24,916	-7%
			\$470,492,073	\$602,949,500	-5%	\$24,234	\$33,643	3%
Upstate New York MSAs			\$66,028,849,724	\$96,358,586,900	9%	\$28,994	\$38,390	-2%

NOTES: Median family income for 1989 does not include Genesee County for Rochester MSA nor Cayuga County for Syracuse MSA.
 Median family income for 1989 does not include Schoharie County but includes Greene County for Albany-Schenectady-Troy MSA.

Source: US Bureau of the Census



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Study Session #7: "Eastwood TNT Meeting" May 23, 2005

Clyde Ohl and Eric Persons facilitated a presentation for Eastwood TNT on May 23. About 45 people attended, an equal mix of males and females ranging in age from 39-66. Several city officials were also on hand as part of TNT's regular agenda items.

Attendees were invited to look at maps of the current town and village lines and were provided copies of OCL's outline of reorganization options. After an introduction by TNT facilitator, Peter Kavanagh, Persons gave a brief overview of the current OCL study, and asked participants to spend a few minutes looking at the local government reorganization survey.

Ohl mentioned that OCL has not entered this process with any preconceived goals for the study. He gave several examples of how the current structure and lack of collaboration between the city and county governments have hindered progress in getting development projects completed; projects that are economically beneficial to the entire region. "There is room for increased cooperation," he told the group, adding that the area's complex system of town and village governments was instituted in 1793. "What can we do to possibly make some changes?" he challenged the group.

The group brainstormed on the six questions on the Local Government Reorganization questionnaire. The following responses were collected:

What are the most pressing issues facing our community?

Crime, the lack of cooperation between city and county government, lack of a long term regional plan, empty store fronts, excessive taxes and energy costs, job loss, population loss, uncoordinated fire services, and regional good vs. home rule were listed.

How can local government solve those issues?

- Governments need a coordinated communication plan
- Metropolitanize emergency services, establish county-wide schools
- Put consolidation issues on a referendum
- Get municipalities to provide objective budget comparisons (fragmented vs. consolidated), and recognize the mutual needs in every community

If you think changing the structure of local government would help address these issues, what would you change if you could?

- Implement community-building strategies
- Invert the pyramid of the flow of power in local governments
- Improve communication strategies before changing governmental structure
- Offer financial incentives to entities that agree to consolidate, and hold a state constitutional convention

Examples of existing government you already know about: Manlius police, annexation in Omaha/Lincoln, Nebraska, Toronto annexation, some local school districts, the city and county's combined efforts to present a tax agreement for the Destiny project, the Onondaga County Resource Recovery Agency and other single utilitarian agreements.

What potential positives or negatives would local government reorganization prompt?

Positives: the potential for lower overhead costs, the aesthetics of more affluent areas/

neighborhoods could spill into more depressed areas, and more equalized service delivery for the entire region.

Negatives: Cost savings may not occur, healthy municipalities may be burdened by the financial woes of other municipalities, neighborhood identities could be sacrificed, and there is potential for job loss.

Twelve people completed their questionnaires and further ideas were expressed. On the question of pressing issues, several people listed property maintenance. Another listed obsolete development policies/practices and nepotism as pressing issues. Sprawl, and the need for improved educational opportunities for all ages were others. One person wrote that fines for property and business code violations need more rigorous enforcement. Another attendee listed consolidation vs. parochialism as the single most pressing issue.

As for how local government could address those issues, one person suggested combining turf over a five year period. Another noted that municipalities should be willing to "give up turf" in the interest of the regional good. One attendee suggested that local public safety work more cooperatively within the city, and that county tax money be used to provide a professional, full time fire department--eliminating the need for volunteers in the suburbs. Someone else said voters should take control and elect representatives who are motivated by citizen leadership, not personal aspirations. Offset school taxes with lottery money, and let the people have more say in their government.

On the question of what you would change about government if you could, one person suggested that performance measures be implemented as a means of holding public officials accountable. Another suggested that term limits be set for all elected positions. One person said change is not needed at the structural level for cooperation to begin, while another said overlapping jurisdictions need to be eliminated. One attendee said raise the costs for duplicated services, then people will demand consolidation efforts. Establishing a countywide fire district was suggested in response to four of the six questions.

Suggestions on possible methods of reorganization included scraping the county government and letting towns handle all essential services. One person said the emphasis should be on cooperation, not consolidation.

Another potential negative in government reorganization that the time and energy spent on implementation may not be worth the return.

Twenty-two attendees said local government is very important to the community, nine said it is somewhat important, and two said it was not at all important. Lastly, the majority of those attending the meeting indicated that they thought OCL should continue with the study.



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Study Session #8: "Eastwood Rotary Club Meeting" May 24, 2005

Elaine Walter and Joseph Ash facilitated a discussion with the Eastwood Rotary Club as part of the organization's luncheon meeting on May 24. Thirty-four people attended; 24 males and 10 females ranging in age from 25-70. The presentation was planned as part of the group's weekly meeting.

Attendees were provided copies of OCL's outline of reorganization options. Walter explained OCL's mission and added that the Eastwood Rotary was one of several groups participating in this information-gathering process.

The group brainstormed on the six questions on the Local Government Reorganization questionnaire. The following responses were collected:

What are the most pressing issues facing our community?

- School taxes
- Duplication of services
- Crime
- Lack of health care
- Loss of value added jobs
- Lack of vision
- High property taxes
- Political bickering (party-based)
- Lack of community pride
- Lack of government accountability
- Inability to keep young people in the area
- Local tax money is often allocated elsewhere in the state

How can local government solve those issues?

- Governments need to improve cross communication
- Listen to constituents and constituent-driven committees
- Implement more efficient ways of providing services and rid waste
- Term limits
- Get reorganization issues on referendum for vote

If you think changing the structure of local government would help address these issues, what would you change if you could?

- Downsize structure at all levels
- Move toward a metropolitan system to avoid duplication of services
- Operate within budget
- Eliminate all government services except for police and fire
- Voluntary reduction in government salaries
- Restrict the power of the unions
- Eliminate or restrict tenure

Examples of existing government you already know about: Fayetteville-Manlius police, purchasing agreements between school districts and the county, centralized schools, OCRRA, equipment-sharing agreements between Onondaga and Cayuga county sheriffs' departments.

What potential positives or negatives would local government reorganization

prompt?

Positives: there are some federal economic incentives, reduced bureaucracy, lower taxes, municipal cost sharing could improve access to more specialized equipment, elimination of superfluous management, perhaps some cost savings.

Negatives: government could lose touch with people and their needs, a unified approach may not work everywhere, it usually doesn't save money.

Eleven people returned questionnaires, few further ideas were expressed. On the question of pressing issues:

- Political infighting
- Separation of classes
- The failure to value our youth
- The general fund

As for how local government could address those issues:

- Local political parties cooperate and start working for the good of the community
- Consolidation would lead to improved cash flow, which could be invested in education
- Get rid of waste and excess spending

Suggestions on possible examples and methods of reorganization included combining the purchasing for the city and county, and consolidation of local police departments. Someone mentioned that Wilkes-Barre, Pennsylvania, attempted, unsuccessfully, to consolidate "burghs". There was opposition to losing local governments.

The discussion prompted several notable tangents. One attendee said he did not think any form of structural reorganization would happen unless changes are made at the state level. Another person asked what OCL could do about implementing reorganization, as consolidation is often discussed but leads nowhere. Walter said how the study is acted upon depends on the combined interest of the greater community.

School matters were mentioned several times. One attendee said schools should be used all year, as they are underutilized, costly resources. He added that people should also have more input on issues like the Thruway; commissions claim power without being granted that power by the people.

Most attendees said local government reorganization is very important to the community, while three said it was not at all important.



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Study Session #9: "Syracuse Inner City Rotary Meeting" June 1, 2005

Rebecca Livengood and Susan Horn facilitated a presentation for the Syracuse Inner City Rotary. About 24 members attended the June 1 meeting at the Southwest Community Center in Syracuse. The session drew a diversified group by; gender, race and age.

Brainstorming on the most pressing issues facing the community, the need for countywide schools and concern about sprawl were the top concerns. Healthcare, violent crime among city youth and the need for improved education and recreation opportunities for city youth and teens, and more EPA interest in the city were also mentioned. General unemployment was also listed on one of the questionnaires collected after the presentation.

On how local government could address those issues, the group suggested taking a regional approach, improving the funding and support of youth programs, developing a regional action plan, and establishing employment opportunities in inner city neighborhoods. Recognition by the local governments of the pressing issues, making the concerns of the constituency a priority, was also suggested.

Addressing the question of whether or not changing the current structure could help address the community's pressing issues, an attendee said redistributing tax dollars to ensure healthy schools in the entire region would help. Another said the "us vs. them" mentality between city residents and suburbanites must change, and that the city's role in the region must be recognized. It also was suggested that if consolidation efforts at the county level were to occur, the city must have a role in making such decisions. Another person said reorganization could help the schools become less subject to political control. Another suggestion was to use sales tax for school funding.

Positives and negatives that reorganization could trigger were mentioned throughout the meeting. One concern was that consolidation could potentially result in the loss of gifted politicians who are motivated to serve the common good, and strong relationship between small municipalities could be damaged. Another concern was that a countywide school district would eliminate distinction between the schools.

One gentleman said racial fears in Central New York are the underlying problems with most every aspect of life. While he thought reorganization could perhaps help with that by equalizing some of the service delivery and financial allocations, he admitted there were no easy answers to the problem. Race was again mentioned later in the discussion as something that OCL needs to look at as part of the study.

Indianapolis was mentioned as an example of a city that has used consolidation successfully. Conflict between politicians has been reduced as a result.

Diverging from the questionnaire, some other ideas were suggested. One attendee noted the increased political activism in the nation's churches. She added that she thinks there should be less separation of church and state, because churches could be used to motivate people into political participation.

A few questionnaires were collected at the end of the presentation. On how local government

can address the area's most pressing issues, one attendee wrote that government has to become proactive in moving toward prevention of fiscal problems instead of paying for problems down the road. The person added that the problems of disability and low literacy also need to be addressed. Another attendee listed annexation as a way for CNY to address its pressing issues.

One respondent wrote that changing the structure of local government would offer more equitable distribution of power and funding in the region. He added that changing the schools and education department would help make all the schools in the county more equitable in the quality of service.

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Study Session #10: "Dewitt Rotary Meeting" June 6, 2005

OCL Study Committee members Sarah Merrick and Karen Kitney led a focus group of about 54 participants at the Dewitt Rotary meeting held at Drumlins in Dewitt.

Kitney led the group through a fast-paced discussion from the Local Government Reorganization questionnaire. Participants listed the most pressing issues facing the community as: a lack of creativity in local government coupled with too much concern by politicians about personal job security, pregnancy among the very young (children having children), educated youth leave the area after they graduate, the funding of the city schools, and taxes.

On how local government could address those issues, one person said state education mandates and incentives could be better utilized. Merging certain services in the county, like law enforcement, was also suggested. One person said that local municipalities should be more aware of the "strings" attached to state money - it's not free money--it more taxation. It was also suggested (jokingly?) that the Syracuse mayor and county executive lock themselves in a room and not leave until their differences are worked out to the point where they could actually work together.

Suggestions on changing the structure of local government included reviewing school salaries, building incentives for consolidation/shared services so government officials will take risks, and getting the state to offer incentives for consolidation. Others suggested that attempts be made to consolidate services such as local police, highway, and purchasing departments. One participant thought the pension system needed a closer look. Another attendee said the time has come for an across-the-board examination of government jobs to see if they are productive, and if anything can be trimmed. Someone else thought it was worth looking for, and eliminating duplicity of services between towns and villages. Whatever ideas are considered, said one participant, business needs to get involved in economic development is to be improved. The need for an effective airport authority was also expressed.

Participants shared a few examples of consolidation already done, such as the solid waste management in southern Onondaga County, the Town of Manlius police departments, the Manlius solid waste district, and the northern Onondaga library district. One participant asked if OCL was interested in reorganization that would perhaps include municipalities outside Onondaga County. Kitney said yes. She also mentioned that the boroughs of New York City were consolidated in 1897. Another person said reorganization would not happen unless constituents motivate their representatives to enact change.

While one participant suggested that merging school districts would be a positive aspect of reorganization because more people would have access to a better education, the group cited several negatives. One person noted that a homogeneous state would not be a good idea; diversity of services from community to community is a good idea. "Some services need to be community-targeted," he said. Someone else said that one negative could be that reorganization might create another level of government without really getting rid of another.

Most attendees expressed that they considered reorganization to be very important to the community. One person did respond that it was not important at all.

As the meeting drew to a close, one woman, new to the Dewitt area, said school consolidation would have to be done carefully. The quality of certain school districts has had a direct

influence on property values, and reorganization could, she said, negatively influence those values. Another attendee added that suburban residents would be upset if consolidation changed the delivery of services in a negative way. As a Dewitt resident, he said he has been particularly happy with the work of the town highway department.

The local Government Reorganization questionnaires collected had further ideas. More pressing issues expressed included:

- State pension requirements
- Education funding, poverty/joblessness
- Nepotism in government
- Real estate taxes
- Duplication of services
- Government costs and its effect of economic development
- High energy costs
- Adversarial relationship between county and city government

Ideas on how local government could address those issues included:

- Coordinating services to avoid duplication
- Restrict the number of family members serving in a municipality
- More equitable distribution of sales tax revenue
- Consolidate school districts so burden on local tax base is reduced

One person wrote that changing the structure would not stop the exodus of management jobs from the area, but it could help with some of the school funding issues. Another attendee wrote that consolidation and better coordination of local governments could possibly eliminate the need for town governments over time.

One attendee, a former Maryland resident, wrote that Maryland has had some success with leaving city and village governments intact, but having county governments handle most of the distribution of services. Another person wrote that merging emergency services seems likely to succeed.

Further negatives in local government reorganization included the loss of public service jobs, a concern that the city would get "the short end of the stick", potential loss of direct representation and a loss of local control in service delivery. Positives included a more cost effective government and less financial waste.



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Study Session #11: "Camillus Rotary Meeting" June 23, 2005

About 18 members of the Camillus Rotary gathered at Cora D's Restaurant for the group's regular meeting. JoAnn Cucci facilitated for OCL. She described her role with F.O.C.U.S. Greater Syracuse, and the reasons why OCL is holding these sessions.

The location was not conducive to displaying the presentation maps, or using the flipcharts. Cucci initiated a lively discussion nonetheless, saying, "Perhaps we need a different form of local government in the 21st century."

The group's list of pressing issues included many of those expressed at other sessions:

- Crime
- Education and illiteracy
- High taxes, the high cost of operating local government
- State involvement in the business sector
- Health insurance and the needs of the aging (social security/Medicare)

One Rotarian offered this summary of the region's looming problems; "Our communities are getting older and young people are moving away." He added that keeping college graduates in the area is a problem.

On how government could address these issues:

- Merging the police forces
- Addressing the housing problems

One gentleman who works in real estate suggested that the county establish criteria for residential property maintenance that could apply to the city and all neighborhoods. Another person said simply, "Get rid of the county!" While still another said that the problem today lies with town government; "They dance to their own tune!" Someone else suggested pooling the suburbs together into 5 or 6 "super town" in which services could be provided to more people.

Ideas on how, or if, changing the structure of local government could address the pressing issues included:

- Making local needs more apparent to politicians
- Implementing term limits to help prevent one party from holding office for too long or one person from holding office for too long
- One participant said all local government needs to be cut back so services can be implemented as people demand them
- Government currently does things that people should be doing for themselves

The only example of government reorganization offered at this session was the Minoa sewer district.

One participant suggested that merging some school districts would be positive, so improved services could be offered to more students. Saving money was cited as another positive. A negative was that some good politicians could be lost if harsh cuts are made to local governments.

While the time allotted for discussion was brief, some participants did fill out the

questionnaires. Drug abuse was listed as another pressing issue facing the community. On how local government could address these issues, one person wrote that local governments need to work harder to negate problems at the federal and state levels. Another person wrote that towns and villages should merge. Someone else wrote that housing codes need better enforcement.

On what they would change if they could:

- Eliminate half of all state agencies and modernize unemployment insurance and disability benefits
- Cut county departments to eliminate duplication

All respondents said local government reorganization was at least somewhat important.



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Study Session #12: "G.E. Retirees Meeting" July 14, 2005

Rebecca Livengood and Judy Mower facilitated this session at LeMoyne Manor in Liverpool. About 60 members attended. The majority of the participants were Caucasian males living in suburban towns in Onondaga County.

Livengood described this year's study, noting the civic importance of participation. The purpose of the discussion, she said, was to find out what people think about the idea of modernizing government, which could mean consolidation in some form. How can government be more affordable, more efficient, and more effective?

Mower noted that the point of the discussion was not to get a consensus, but to find out what is on people's minds.

Pressing issues:

- Towns need to work in conjunction with the county on a master plan
- Robert Congel
- Get the city out of running the airport
- Funding differences between the city and the county
- Lack of economic opportunity
- Crime in the city
- Issues surrounding the high cost of gas

On how local government could address those issues:

Improve the infrastructure-roads

The mayor and the county executive need to be less political and think more about their constituents, and eliminate politics

The question about changing the structure got little response. One participant noted that reorganization is not always necessary, and it doesn't always produce what was promised (or expected). She added that sometimes it is better to work within the existing structure.

Examples of local government reorganization included:

- Mention of the failed Liverpool/Salina police merger, and the successful one in Manlius
- Airport should be run by the county or by an independent authority
- Local property assessment offices have been combined and that has worked reasonably well

One attendee, a former resident of Tennessee, said some services need to be at the county level. For example, water usage should be dealt with at the county level. He added that he thinks police should be kept local.

Attendees spoke briefly on development and planning board problems in Manlius and Liverpool as a result of the numerous layers of government.

The attendees noted several potential negatives in local government reorganization:

- Turf battles
- Need for good strong leadership
- Losing local governments could take politicians away from the source of problems
- The potential for losing the character of local municipalities was also mentioned; the

potential positive result of that being a loss of churn and a more unified regional image.

One noted positive was that if government was reorganized, perhaps fewer physical resources and buildings would be needed. It was also suggested that the money saved from using fewer physical resources could be reallocated to where it is needed most. Another participant added that a different government structure could enable municipalities to utilize different resources, thereby improving and expanding services to residents. It was also suggested that reorganization could help ensure that services be delivered more evenly.

One participant suggested that changing the current government structure could recoup funds lost to failed projects. Someone else, a former Illinois resident, mentioned that when he first moved to the area, he was puzzled by the use of town governments. He said the current structure has "too much colonialism."

Pressing issues culled from the questionnaire include:

- Environmental matters
- High property taxes
- Less government provided services
- Security
- Health care and the county's handling of Medicare
- High power rates
- Funding differences between the city and county
- Eminent domain
- Syracuse school's deficit
- Disagreements between politicians
- Pollution of the Seneca River

One attendee wrote that local governments could address those issues by resisting state mandates. Another wrote that developers such as Robert Congel should not be given concessions in development deals. It was also suggested that local governments encourage voter participation behind issues--not politics. One participant wrote that more police are needed, and that the community needs fewer studies and more action--Carousel Mall was given as example.

As for suggestions on what they would change, one person wrote they would combine the city and county governments, and then combine the town and village governments--in the first stage. Another participant wrote that costs should be analyzed, and the items of highest cost should be consolidated first. Someone else suggested that the water authority be consolidated. But another participant wrote that change must come from the voters--at the polls.

Further examples of consolidation included:

- Water districts and police services be restructured based on local needs to reduce duplication of services
- County should handle all police, purchasing and zoning services
- Towns should handle all police protection

Possible positives from consolidation included:

- More focused decision-making
- A unified vision for marketing the area
- Efficiency in procurement
- Reduction in government payroll
- Reorganization could result in better communication between municipalities and less duplication

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Study Session #13: "Syracuse Chamber of Commerce & MACNY" July 14, 2005

Approximately 18 people attended the presentation for the Greater Syracuse Chamber of Commerce and MACNY. Eric Persons and Elaine Walter facilitated the meeting, which was arranged by Kristen Mucitelli of MACNY and Deb Warner of the Chamber.

Pressing issues expressed included:

- Economic development
- Crime
- Overcrowded classrooms
- High taxes
- Regulatory environment
- Overlapping of government services from the state level down
- Income growth and job opportunities
- City schools
- Lack of cooperation, especially between political parties
- Obstructionist actions on behalf of special interests
- Energy costs
- Over-regulation
- Dealing with multiple layers of government
- Population retention
- Destiny

On how government can address those issues:

- Combine services such as fire, police, etc.
- Moving to the political structure in the future
- Modify or eliminate the property tax structure for the school districts
- More collaboration between government, education, and business
- Establishing regional goals
- Implementing technology
- Encourage more business to expand the tax base
- Medicaid reform
- Modernizing government operations
- More cooperation on election issues
- Find incentives to promote government cooperation
- Regionalize services
- Regulatory reform
- Better management

Addressing the question of whether or not structural changes would help address the area's pressing issues, one person wrote that the political process would also have to be changed. Reducing districts, combining emergency services, increasing accountability, increasing citizen participation, moving toward metropolitan government and recognizing the issues of local control were also listed. One attendee wrote that a committee should be formed to develop a program for streamline services and consolidate village and town governments into the county. Town boundaries could perhaps remain in order to retain local identities. Committees could be established to address local issues. Strong leadership was listed more than once as a desired change.

Reorganization successes listed included:

- Regionalization of the water systems statewide

- Manlius policed department
- Municipalities that eliminated the tax receiver
- Baltimore school districts
- Regionalization of the airport

Possible negatives in reorganization included:

- Reluctance from municipalities at the idea of giving up power
- Fear that the city will meld into the suburbs
- Fear of giving up local control and local community values
- Resistance from uninformed public
- Difficulty in getting all parties on board for a common plan/goal
- Possibility of adopting undesirable concepts if reorganization is not done in "baby steps"

Possible positives included:

- Cost effectiveness
- A more streamlined process to attract and retain business and employment opportunities
- Expanded tax base
- Elimination of service overlap/duplication
- Financial incentives
- Greater purchasing power
- Consistent decision making for common regional goals
- Better leverage in state bargaining



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Study Session #14: "Home Builders Association of CNY and Greater Syracuse Realtors Association" July 26, 2005

Sandra Barrett and Joseph Ash facilitated this presentation at the Home Builders Association facility in East Syracuse. Despite the small turnout (10), the discussion was kinetic--an inspired exchange ensued. The group was comprised of one city resident and nine suburban residents.

Pressing issues included:

- Property taxes
- Lack of confidence in the schools, especially the city schools
- Underlying social issues
- Public safety
- There is no unified plan for growth
- We need a thriving metropolitan area to anchor the region
- Promote reinvestment in the city
- Urban housing needs to be updated, made more appealing to young families, as part of a practical planning initiative
- The region needs strategic, long range planning and development
- Energy costs are too high
- CNY must resist the urge to just copy successful reorganization efforts such as those in Baltimore and Denver
- Attitudes need to change first
- There are too many government factions working without a common goal

Ideas on how government could address those issues included:

- Get voters to express themselves more strongly, so politicians would be more apt to listen and pay attention--"We need strong leadership--at all levels of government"
- Government works better at the local level--at least in the sense of getting things accomplished
- Begin a process of altering the tax structure
- Educate people on how a regional approach to government would benefit everyone in CNY
- Get rid of home rule; it is a barrier to growth
- There needs to be incentives for people to commit to reform
- Consolidate local fire departments
- Police and highway departments have too much duplication.
- Get service professionals out into the community to educate people on how response times and duplication of services could be improved
- Consolidate schools
- Review the services that the county has already taken over from the towns or the city
- Elect a leader who would form/appoint a commission of local experts that could map out a solution
- Adopt a regional approach

Things they would change if they could?

- Changes at the state level need to occur for real reform to begin locally
- Insist on action
- With strong leadership, something could happen at the city/county level; but the two elected officials at the top would need to craft a plan together
- 20-year mandate to gradually "fix" duplication of services at the local level
- Term limits

Examples of successful reorganization:

- Combined economic development agencies could be possible
- Regional school administration

The possible positives that could result from local government reorganization included:

- More efficiency
- Sweetheart deals would be abolished
- Reorganization could change local governments for the better because they are not as held in by party squabbles as is the state government
- Reform could possibly encourage more qualified candidates to run for the top offices

Study Session 15
Onondaga Citizens League, Thursday Morning Roundtable and 40 Below Members
August 31, 2005

Don MacLaughlin facilitated this presentation with Sandra Barrett and Larry Bousquet at the Chamber of Commerce headquarters in downtown Syracuse. About 30 people attended, most residents of the city. About nine attendees were suburban residents of Onondaga County, and one was a rural resident.

Bousquet discussed the scope of the research completed so far, and mentioned that Syracuse 20/20 is working with OCL on this project. He stressed that OCL is not studying consolidation in itself as an issue, but as a potential tool to accomplish community goals.

MacLaughlin distributed optional written questionnaires, and asked focus group members to begin the discussion by telling what, in their estimation, were the most crucial issues facing the community. Many pressing issues were mentioned, including:

- Lack of vision
- High taxes (state and local)
- Lack of coordinated economic development
- (Lack of) confidence in the school system, especially the city schools (due to the lack of educational performance from the schools)
- Lack of a sense of community, no cooperation
- No population growth (young people are leaving the area)
- Concentrated poverty in the city (poverty in general was also mentioned)
- Inability to control regional growth
- Inhospitable climate for diversity
- Sprawl
- Lack of economic mobility for the masses--lack of good jobs
- Lots of talk with no action
- Lack of political cooperation (in-fighting)
- Lack of political progress
- Hopelessness/negativity about the current economic situation

Further issues listed on the questionnaires included: ineffective use of public resources; out-dated expectations; lack of leadership; inertia; racism; increasing jail population; human concerns not shared by business, not for-profit or government entities; lack of response to needs at the state level; out-migration; lack of policies that encourage economic development; dysfunctional public education, out-of-touch government; not economically competitive at the national level; and housing.

Ideas on how government could address those issues included:

- Organize the local government structure (redefine it); get a referendum to vote on one local government. Everything overlaps in the current structure.
- Consolidation could focus government responsibility
- Provide effective leadership and a true vision in the community
- Get people to vote/get community to get involved in the issues
- Devise a strategic plan (empower citizens to implement it).
- Citizens need to hold leadership accountable and get plans enacted
- Get the leadership to listen to the will of the people (dialogue)

- Reorganize the tax structure so that it is more locally directed
- Promote a regional self-image
- Tie solutions to specific problems (ex. poverty)
- People need education and access to the political process and leadership
- Establish a more intense collaboration between citizens and leadership
- Foster the development of existing business community so those businesses can hire more local workers
- Develop a way for citizens to address problems with leadership (other than impeachment)
- (Further) centralize the BOCES program
- Get city schools to partner with local entities (such as parks) so that the school populations are more integrated and a diverse community spirit is fostered

On the questionnaires, one participant suggested becoming the County of Syracuse--one metro government. Another suggested requiring employers to hire diverse work forces and offering incentives for doing so. Someone else said courageous leadership, intense collaboration and intense communication are needed. It was also suggested that local government address those issues through creative leadership (thinking outside the box), changing the negative perception people have of the area, develop a coordinated economic development plan and implement it, launch a national public relations campaign on the region's attributes, and move toward a management system

Could change address these pressing issues? One participant mentioned that the current government structure is so confusing, many people do not know who to talk to for various problems. Another participant said redistribution of responsibility of things like economic development could work, but county run social services should stay put. The idea of functional reorganization--putting services at the most appropriate level of government--was suggested. But for that to succeed, government needs to define its goals and focus on them and not the programs, so that the citizenry has something on which to measure function. One participant said the power of the county executive needs to be increased so that land use planning can be controlled at the county level.

On the questionnaires, one participant said that duplication of service and cost increases could be stabilized by establishing a metro government. Another said "combine all the schools" to ensure equality of choice and shared resources. Someone else said changing the structure would not help address the areas pressing issues. One participant favored more collaboration, consolidating only when feasible; another suggested developing term limits to share burden and get new thinking in leadership

Examples of reorganization:

- One participant mentioned the successes of the Seattle city government. Others mentioned their familiarity with situations in Charlotte, NC, Louisville, and Buffalo (a model of what not to do).
- Examples of local successes included some school districts, resource recovery, water districts, the forensic center, 911, Town of Manlius police and code enforcement, the library system.
- Suggestions for reorganization that could work; an airport authority, economic development, parks, police functions.

One participant said there is a need for increased professionalism in local politics; need leaders who are trained to handle the demands of multifaceted management. Management systems should be used as a model.

The possible positives that could result from local government reorganization included:

- Decreased patronage
- More efficiency of services
- Government would be more results-oriented
- Perhaps a transparent, open, responsive leadership could flourish.
- Could promote positive community vision on a regional level. Negative issues could be addressed by motivated citizenry

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Possible negative results from reorganization:

- Consolidation could be the red herring for the area's problems. People would need to be educated that it probably would not save money; at least not initially.
- There is a fear that reorganization could lead to a loss of control at the local level.
- A complex bureaucracy could emerge.
- The elected component of any reorganized government structure may be less able to respond to needs of specific constituencies. Diverse needs could go unmet.

Other issues were discussed as the presentation continued. One participant said the haggling over the convention center hotel should have been done behind closed doors--not in the newspapers. In response to a question about implementation of the ultimate recommendations, Barrett said the Citizens League looks to the appropriate community organizations and to citizens to press the government to act upon recommendations.

Eighteen participants said they considered reorganization to be a very important issue (although one expressed concern that impact must be made at the federal level for real change to occur); five said it was somewhat important. One person said it was not at all important. There was some discussion of concerns that the holding out of government structure as a solution is a "red herring" detracting attention from other issues.