

Municipal Cooperation and Consolidation

MAPPING ALBANY COUNTY



INTERGOVERNMENTAL STUDIES PROGRAM

Rockefeller College of Public Affairs and Policy ■ University at Albany

Municipal Cooperation and Consolidation: Mapping Albany County

Authors*: Sydney Cresswell
Jordan Wishy
Jennifer Cole

Editor/Designer: Stephanie Simon

***The authors wish to thank Michael Landon and Eric Di Bari for their research assistance.**

**An Intergovernmental Studies Program Publication
April 2008**

**©2008 Intergovernmental Studies Program
The Program grants permission to reprint this document provided the cover and this title page are included.**

Intergovernmental Studies Program

Rockefeller College of Public Affairs and Policy, University at Albany

Milne Hall, 135 Western Avenue, Albany, NY 12222

Phone: (518) 442-5293 Email: sgc@albany.edu

Website: www.albany.edu/igsp

The Intergovernmental Studies Program (IGSP) works to improve intergovernmental performance and collaborative outcomes for state and local governments. IGSP builds an understanding of effective intergovernmental practices through case research and partnership projects with state agencies and local governments.

FOREWORD

Three years ago, the Intergovernmental Studies Program (IGSP) produced a quick review of intermunicipal cooperation for the New York State Legislature titled, *Intermunicipal Cooperation and Consolidation Activities in New York State: A Snapshot*. From start to finish, the report was completed in 10 days time. IGSP accepted the assignment, despite its time constraints, to help fill a knowledge void about local cooperative efforts in New York State. Expert knowledge and a body of confirming research on cooperative processes is limited. To fill in the knowledge gaps, members of the policy community often rely on the anecdotal information available to them, supplemented by regional studies, service area performance data, and fiscal reporting. Out of this data smorgasbord, they must develop useful policies to promote (or ease restrictions on) cooperative behavior. The *Snapshot* was intended as a quick, statewide look at occurrences of cooperation. Although the report provided a mere introduction to cooperative activities across the state, it piqued our interest. IGSP will soon release *Snapshot II: A Second Look*, which updates the statewide review of cooperation against the backdrop of increasing fiscal stress and a growing state agenda focused on cooperation. This report, *Municipal Cooperation and Consolidation: Mapping Albany County*, is a different effort, taking a close and inclusive look at intermunicipal cooperation from the perspective of a single county. In producing this report, the Intergovernmental Studies Program, located at the Rockefeller College of Public Affairs and Policy, hopes to direct attention to what can be learned from such inspection and where further research might be directed.

ACKNOWLEDGEMENTS

The study team would like to thank the leaders of Albany County municipalities for allowing us to interview them for this study. The list includes County Executive Michael Breslin, Mary Brizzell, John Bruno, Robert Carlson, Edward Clark, Robert Conway, Kevin Crosier, John Cunningham, James Gaughan, Michael Hammond, Ronald Hotaling Jr., Frank Leak, Paula Mahan, Sally Maloney, Michael Manning, John McDonald, Ellen McNulty-Ryan, Jost Nickelsberg, Richard H. Rapp, Ken Runion, William Smith, Robert VanAmburgh, and Sean Ward. The momentum across the county with respect to cooperative innovation and cost savings intrigued our team. We particularly appreciate that the leaders shared their struggles candidly and were deeply reflective about the process of developing intermunicipal agreements. We learned a great deal through your gracious assistance.

TABLE OF CONTENTS

Executive Summary.....1

Overview.....3

Introduction.....3

Finding I: Analysis of Cooperation Activities.....6

Finding II: Challenges of Intermunicipal Cooperation.....13

Finding III: Improving the Odds for Intermunicipal Cooperation.....16

Future Initiatives.....17

Discussion of Findings.....19

Appendix A: Cooperation Activities of Albany County Municipalities.....24

Appendix B: Albany County Defining Characteristics.....41

Appendix C: Albany County Financial Data.....42

Appendix D: Albany County Municipal Borders.....43

EXECUTIVE SUMMARY

The Mapping Albany County project explores shared services activity within a single county. The study had two objectives. First, the study team sought more detailed information about cooperative practices among Albany County's governments. Our interests included current practices, attitudes toward shared services, and officials' perceptions of factors that limit or support cooperative activities. Second, the team used the results to assess the value of conducting a more extensive review of cooperative activity with a multi-county sample.

We found modest patterns across the municipalities in the county when comparing cooperation activity to municipal profiles (more detailed descriptions of the municipalities' cooperation activities appear in Appendix A). There was a link between smaller (geography and population), urban-like, proximal municipalities and greater cooperative activity. The study team found that municipalities that had weathered fiscal stress did not increase their cooperative activities to cope with their financial problems. Instead, when these municipalities became financially more stable they began to increase their cooperative activities. The leaders of these municipalities were among the most active cooperators in the county. There was a stronger pattern that linked a leader's affinity toward cooperation to his/her community's cooperation activity level. If a leader indicated a positive outlook on cooperative activity, and a readiness for change, they were more likely to be an active cooperator. Seven of the

eight leaders receiving positive scores for both outlook and readiness were among the most active cooperators.

Local leaders identified the obstacles that make it more difficult to participate in intermunicipal agreements. These challenges arise from the leaders' own constraints, citizen concerns, implementation considerations, and the calculation of costs and benefits. Some specific limitations are:

- Citizens' tendency toward provincialism
- Citizen distrust of benefit estimates (cost savings) and of the purveyors of cooperative agreements
- Finding the time to lay the groundwork for an agreement; having the time in office to get it done
- Political differences and political costs
- Administrative complexities

Municipal leaders also offered insights on how to improve the odds of intermunicipal cooperation. They told us:

- The best agreements have a high fiscal return and low administrative costs
- Practice exchanges across municipal boundaries (by departmental staff) are an important source of intermunicipal cooperation
- Programs that are minimally developed are better targets for cooperation—they are less entrenched in the community psyche

- Be attentive to 'striking moments' that signal a change in local conditions when it may be easier to restructure a service area
- Design proposed projects with a sunset clause or as demonstration projects
- Give serious attention to educating citizens and legislative bodies
- Pursue technical assistance from the county or state to address complex, multi-faceted cooperative efforts

The study results suggest that a more comprehensive, multi-county research project would be of value. The examination of Albany County produced a richly textured portrait of intermunicipal cooperation, outlined some testable connections in the findings, and suggested where to look for additional data.

Cooperation Activity in Albany County

More Cooperation Categories

- Green Island — Village cooperating in 11 categories
- Coeymans — Town cooperating in 9 categories
- Colonie — Town cooperating in 8 categories
- Green Island — Town cooperating in 8 categories
- Guilderland — Town cooperating in 8 categories
- Altamont — Village cooperating in 7 categories
- Cohoes — City cooperating in 7 categories
- Albany — City cooperating in 6 categories

Fewer Cooperation Categories

- Berne — Town cooperating in 5 categories
- Bethlehem — Town cooperating in 5 categories
- Knox — Town cooperating in 5 categories
- Menands — Village cooperating in 5 categories
- Voorheesville — Village cooperating in 5 categories
- Watervliet — City cooperating in 5 categories
- Colonie — Village cooperating in 4 categories
- Ravena — Village cooperating in 4 categories
- New Scotland — Town cooperating in 3 categories
- Westerlo — Town cooperating in 2 categories
- Rensselaerville — Town cooperating in 1 category

OVERVIEW

The Mapping Albany County project is an exploratory effort to examine shared services activity within a single county. The study, undertaken by the Intergovernmental Studies Program (IGSP) of the Rockefeller College of Public Affairs and Policy, University at Albany, had two objectives. First, the study team seeks more detailed information about cooperative practices among the county's constituent government units. The purpose of the data collection was to improve our understanding of cooperation dynamics, not rate county efforts. To that end, the Mapping Project documents current practices, attitudes toward shared services, and officials' perceptions of factors that limit and support cooperative activities. Second, the team used the results to assess the value of undertaking a more extensive review of cooperative activity over a broader sample of New York State counties.

INTRODUCTION

New York State policy makers are taking a hard look at intermunicipal cooperation as a means of reducing the cost of services for taxpayers. Over the past few years, these leaders have funded incentives for cooperation, sought proposals for demonstration projects aimed at service restructuring, and gathered information about cooperative environments and practices statewide.¹ Pol-

icy makers anticipate that, at a minimum, local officials can achieve some economies if they work, plan, and purchase together. Some hope that a successful cooperative movement will streamline local government by modifying outdated service delivery structures, or eliminating redundant governments.

The state employs several policy tools (incentive grants, demonstration projects, technical assistance) simultaneously to promote local government system change. This approach makes sense given our general lack of knowledge about cooperation dynamics. It would be far easier to effect change if policy makers had a tested framework that captured local cooperative behavior accurately. As things stand, we cannot be sure that we have correct assumptions about underlying local conditions or that we understand the way that communities will respond to changing circumstances. Clearly, we need a better understanding of intermunicipal cooperation **as practiced**.

So how do we acquire a better understanding? One way is to systematically examine New York municipalities, map existing cooperative activity, and build testable models. However, a review of the activity of more than 1,600 units of general purpose local government would take considerable time and resources, and depending on the variables of interest, may be excessive. Even the more likely option of investigating a carefully drawn

¹ Former NYS Governor Eliot Spitzer proposed increased funding for Local Government Efficiency Grants (LGEG) in 2008. The precursor of LGEG was the Shared Municipal Services Grant (SMSI) program, in existence from 2005-07. Spitzer also formed the NYS Commission on Local Government Efficiency and Competitiveness, and solicited demonstration project proposals from local officials in 2007.

sample would not be warranted without a clear sense of its value.

This report reflects the starting point of an alternative strategy. The Mapping Albany County project describes and examines the cooperative footprint of one county and its 19 municipalities. The study documents current practices, attitudes toward shared services, and officials' perceptions of factors that limit and support cooperative activities. We present these findings and consider what the effort teaches us about the value of extending such an examination of intermunicipal cooperation.

Questions Guiding the Study

Four questions guided the data gathering effort:

- Which municipalities participate in shared service agreements or consolidations, or are exploring them?
- What do the findings tell us about cooperative practices?
- Do the findings lead to new questions about cooperative services or yield discernible patterns about cooperators?
- What does the examination of one county suggest about the value of a more extensive examination of cooperative practices statewide?

Methods

Local governments across Albany County served as a laboratory for this study. The intent of the Mapping Project was never to rate county efforts; rather it was to describe a single cooperative landscape. IGSP staff can-

vassed each municipality within Albany County to construct a more complete picture of cooperation within the county. We interviewed local government leaders in the 19 municipalities in Albany County, and the county executive and his deputy. The officials described current fiscal conditions in their jurisdictions and the formal and informal intermunicipal agreements currently in effect. Officials noted the challenges they encounter when entering into new intermunicipal agreements and what they consider to be some of the areas for cooperation with the greatest potential. In some cases, municipal officers provided us with documents listing areas of intermunicipal cooperation. The study also examines a county's role as convener, facilitator, and innovator in matters of intermunicipal cooperation and cost savings among Albany County municipalities.

The detailed account of cooperative activity was based on interview data. We gave participating local leaders the opportunity to review and correct their municipal summary to compensate for the limits of recall at the time of the interview. For future countywide studies, we recommend that the process begin with a survey prepared prior to the interview to help ensure a full accounting of cooperative activities.

The research team constructed the interview protocols, conducted interviews, assembled data on the municipalities, reviewed transcripts and summaries, and analyzed findings. The results are presented in five sections:

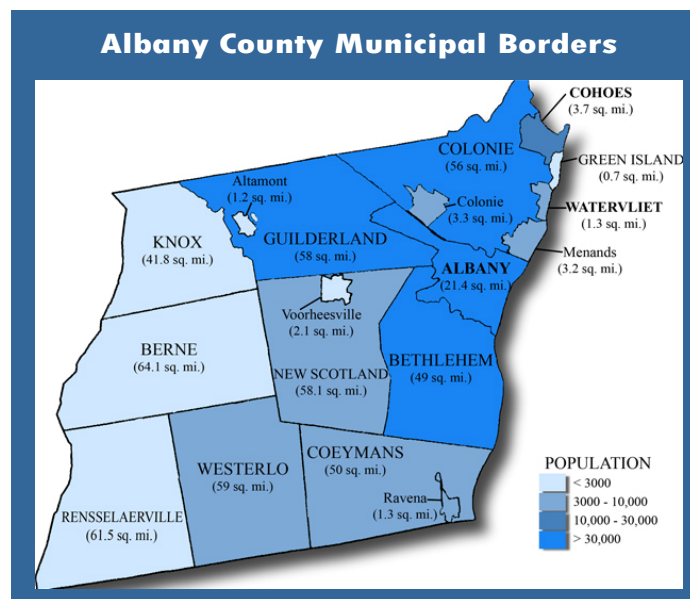
- Finding I: Analysis of Cooperation Activities
- Finding II: Challenges of Intermunicipal Cooperation
- Finding III: Improving the Odds for Intermunicipal Cooperation
- Future Initiatives
- Discussion of Findings

Albany County Snapshot

Albany County is comprised of 19 units of general purpose government: three cities, 10 towns, and six villages. Albany County includes one of the five town-village units in the state with coterminous boundaries. The county is governed by an elected executive and a large legislative body (39 legislators). Albany County is located in the central eastern region of New York State and contains the city of Albany, the seat of New York State government. The county has a population of 297,556, which places it as the 13th most populous of 62 counties. Its land area is 523.4 square miles, which is below the state average of 761.5 square miles. Median household income is \$42,935 and is approximately one percent lower than the state average (\$43,393). There are 120,512 households with a median home value of \$116,300, which is below the state average of \$148,700.²

The county executive actively supports intermunicipal cooperation and understands the fiscal pressures that make it increasingly attractive. Albany County Executive Michael Breslin addressed the challenge of municipal

fiscal distress in his testimony before the Commission on Local Government Efficiency and Competitiveness. He commented, "In 2004, New York State had the highest overall state and local tax burden in the country...To alleviate these pressures, municipal leaders must look for every opportunity to increase the efficiency of our operations and cut costs. One of the most fruitful opportunities we have to generate those efficiencies is in the area of consolidation, cooperation, and sharing of services between and among local governments."



² US Census Bureau 2006 census estimates; all monetary amounts shown in 1999 dollars.

FINDING I: ANALYSIS OF COOPERATION ACTIVITIES

The summary comments in this section pertain to three groups of data collected for each municipality in this study: a cooperation score, basic community metrics, and municipal fiscal data. A cooperation score (the number of functional areas or services in which a locality cooperates with other governments) is assigned to each municipality, and comments about relative activity levels pertain to a unit's placement along a countywide continuum. Whether the most active cooperators are, in fact, equally active from a statewide perspective is left to further research. We focus here on the Albany County distribution because county leadership and capacity often defines the domain of cooperative possibilities for constituent local governments at any given time.

Activity Levels

The study shows that the 19 municipalities in the county reported activity in 23 areas of cooperation (more detailed descriptions of these activities appear in Appendix A). For this study, we considered any agreement between or among municipalities involving the provision of services as an instance of cooperation. This definition includes arrangements for sharing services, equipment, and facilities, and contracted services. The agreements include both formal and informal arrangements. The single area of cooperation that was excluded is mutual aid for firefighting, since all municipalities participate in the mutual aid system. The service areas in which Albany County municipalities are most active include

equipment sharing (17), water and sewer systems (10), paramedic services (9), fuel sharing (8), cooperative purchasing (7), police and fire (7), and plowing (7).

The distribution of scores (shown in Table 1) in cooperation categories range from a low score of one to a high score of 11. In order to look at relative differences in the cooperation activities across the municipalities, we split the distribution at the median (also the modal) score of five. The sole purpose of the scores is to permit a search for patterns. Municipalities with scores of 6-11 are identified as the more active group and those with scores of 1-5 as the less active group. Eight municipalities in Albany County (42%) fall in the more active end of the countywide distribution of participation in intermunicipal agreements. Eleven municipalities (58%) fall in the less active end of the distribution. Two of the most active cooperators are a coterminous town and village, one of five such jurisdictional arrangements in New York State. Their scores (11 for the village and eight for the town) are impressive, but it is worth noting that these governments serve the same group of citizens. This governing arrangement certainly makes the division of services and cooperative activities different, and probably easier.

We need to acknowledge two limitations in the creation of groups for analysis. First, the separation of the municipalities into groups defined by their scores is only one way to organize the data; we could also look within categories of cooperation and search for patterns from that perspective. For this effort, we chose to look at the cooperative activities broadly; the number of municipalities

Observations of Cooperation Activities

- Albany County's 19 municipalities reported activity in 23 areas of cooperation
- Eight municipalities fall into the more active collaborator group; 11 are less active
- Cooperation activities range from simple agreements to fiscally, technically, and legally complex arrangements
- The county is a natural partner for many municipalities

TABLE I: Types of Cooperative Activities in Albany County as Reported by Each Municipality

Total		Sewer Over-flow	Tax Collec-tion	Landfill & Garbage	Equip-ment Sharing	Coop. Pur-chasing	Salt Shed	Para-medic Service	Highway Conso-li-dation	Health Ins.	Police & Fire	Court Conso-li-dation	Fuel Sharing	Assessor	Vehicle Wash	Plowing	Engi-neering Services	Staff			Communi-ty Devlpmnt	Land Use	Sewer & Water	Shared Training	
																		Muni. Atty.	Grant Writer	Other					
County																									
9	Albany					X	X	X	X ⁵	X ¹			X		X	X	X								
City																									
6	Albany	X		X	X					X ²	X ³		X												
7	Cohoes	X	X ⁴	X	X	X				X ¹	X														
5	Watervliet	X			X		X													X				X	
Town																									
5	Berne				X	X	X	X	X ⁵																
5	Bethlehem					X		X		X ¹	X													X	
9	Coeymans				X		X	X			X		X			X	X			X				X	
8	Colonie			X	X	X							X			X					X		X	X	
8	Green Island	X	X	X	X						X	X		X				X							
8	Guilderland				X			X					X	X						X		X	X	X	
5	Knox				X	X	X	X																X	
3	New Scotland				X			X																X	
1	Rensselaerville				X																				
2	Westerlo				X			X																	
Village																									
7	Altamont				X								X	X		X			X		X	X			
4	Colonie				X								X			X					X				
11	Green Island	X	X	X	X						X	X		X		X		X						X	X
5	Menands	X											X			X								X	X
4	Ravena				X						X									X				X	
5	Voorheesville				X	X		X							X									X	
	Total	6	3	5	17	7	5	9	2	4	7	2	8	4	2	7	2	2	2	2	3	4	2	10	4

Notes
 1 SMSI Feasibility Grant underway
 2 Prescription Benefits Cooperative (partners outside county)
 3 Provides countywide dispatch services
 4 Collects taxes for school district
 5 First attempt failed to pass

active within any single area of cooperation was too small to provide meaningful results. Second, for eight municipalities, only a single point separates them and determines whether they fall into the more active or less active group. One could assume that these eight municipalities are more alike in their cooperation habits than different, and we do. However, in the absence of more complete information about municipal cooperation, splitting the distribution at its median seemed a suitable starting point. As we compile additional information on municipal cooperation, a better way to define activity groups will surely emerge.

Activity Categories

The cooperative activities adopted by Albany County municipalities range from a handful of simple agreements to fiscally, technically, and legally complex arrangements. Informal agreements usually involve unremunerated swaps of equipment, personnel, or services. More involved forms of cooperation include contracts for paramedic services, water or fuel, and purchasing agreements. The most complex cooperative agreements require expertise and resources just to examine the possibilities. These agreements include service consolidations, insurance collaboratives, and combined water-sewer overflow abatement projects.

Seven of the eight municipalities in the more active group have engaged in at least three agreements of moderate to difficult complexity, and most had executed four or more. The remaining 11 municipalities fall at or below

the midpoint on the distribution with one to five agreements in place. Agreements pertaining to equipment sharing, storage of road salt and sand, and fuel sharing are the more common forms of cooperation across these municipalities (although five of the 11 municipalities have executed at least two agreements with moderate levels of complexity). In fact, these types of agreements appear to comprise the entry-level cooperative practices for all cooperators. Success at negotiating and living with such agreements seems to build confidence and engender a 'cooperation habit' among municipal officials.

Some recent local agreements open new avenues for cooperative work. Albany County and the town of Coeymans had bridge repair projects scheduled in nearby areas. The leaders agreed to have the county provide oversight on both projects, saving the town money on engineering fees. The city of Albany develops services for its large urban population that can have excess capacity. City leaders used their computer aided dispatch capacity to extend services to other municipalities in the county. The village of Ravena and Town of Coeymans created one of the relatively rare, successful agreements to consolidate policing services under the town.

One innovative agreement focused on land use policy and decision making. The town of Guilderland and the village of Altamont signed an agreement that gives the village a voice in planning and development decisions that concern land area near the village boundary (see Appendix A).

Another salient finding is a developing trend toward agreements that are more complex and offer the potential of greater cost savings. This trend coincides with heightened cooperative activity and innovation occurring state-wide over the past two years, new leadership on the part of the county, and with new incentives provided by the state. Nearly all municipal officials indicated an active interest more complex agreements like health insurance cooperatives (see Bethlehem, Cohoes, and Albany County), highway services consolidation (see Berne and Albany County), or county provision of assessment services. Interestingly, for these developing initiatives, the natural partner becomes the county. Putting together a more complex cooperative agreement requires technical expertise, staff capacity, and may involve an infusion of funds or size thresholds. If the trend holds, it may have implications for streamlining government or repositioning the centers of service provision across levels of government.

Patterns in Cooperative Activity

The research team found modest patterns among cooperating jurisdictions (see Table 2) when variations in population, geographic size, municipal category, financial condition, and readiness and outlook were considered. Patterns were expected to be modest given the small number of municipalities studied.

Population as a single factor does not seem to account for the more active levels of cooperation. Among the eight more active municipalities, three have populations under

3,000; two have populations of 8,000-15,100; one has a population of almost 35,000 residents, and two have the highest populations (81,072 and 93,963) in the county. There may be a small connection to population among the less active cooperators. Only one of these 11 municipalities has a population greater than 10,000 residents.

At first glance, **geographic size** appears to distinguish among active cooperators. Four of the eight active jurisdictions (counting each Green Island municipality) have less than four square miles (0.7 to 3.7 sq. mi.) of land area. However, it is more likely that factors other than size help explain the active cooperation within these small units of government. Three of the small but active municipalities (counting Green Island only once) are in close proximity, urban-like, densely populated relative to other county municipalities, and with similar profiles (age of infrastructure, per capita income, poverty rates). Further study may help sort out which factors explain cooperation rates more effectively.

Geographic size is inconclusive with respect to the less active cooperators. Towns are the larger entities in the county and roughly similar in size, with the single exception of Green Island, the coterminous town and village. Of the nine larger towns, three fall on the high end of the activity distribution and the remaining six are at the lower end of the distribution.

The **municipal category** of the jurisdictions offered one noticeable pattern in cooperative activity. These catego-

Patterns in Cooperative Activity

- Three of the four towns with embedded villages are more active cooperators
- As a group, cities were more active cooperators
- Towns and villages with median household income levels above the county median tend to be less active cooperators
- Three of the more active cooperators used cooperative agreements as part of their strategy to deal with fiscal stress after the initial crisis period was over
- Officials who were positive about intermunicipal cooperation, and ready to engage in it, were likely to be more active cooperators

Data Sources
 1 2006 US Census estimates
 2 2000 US Census
 3 1999 dollars

TABLE 2: Albany County Municipalities — Cooperation Activity and Defining Characteristics

	Number of Cooperative Activities	Type of Municipality	Population ¹	Land Area (square mile)	Pop. Density (people/sq mi)	Per Capita Income ^{2,3}	Median Household Income ^{2,3}	Poverty Rate ² (percent)
More Active Cooperators								
Green Island	11	Village	2,546	0.7	3,637.1	\$17,795	\$32,500	10.0
Coeymans	9	Town	8,009	50.2	159.5	\$21,686	\$46,742	6.9
Colonie	8	Town	81,072	56.1	1,445.1	\$25,231	\$51,817	4.7
Green Island	8	Town	2,546	0.7	3,637.1	\$17,795	\$32,500	10.0
Guiderland	8	Town	34,630	57.9	598.1	\$29,508	\$58,669	4.1
Altamont	7	Village	1,707	1.2	1,422.5	\$23,232	\$52,500	4.0
Albany	6	City	93,963	21.4	4,391.0	\$18,281	\$30,041	21.7
Cohoes	6	City	15,011	3.7	4,057.0	\$18,416	\$32,856	13.3
Less Active Cooperators								
Berne	5	Town	2,850	64.1	44.5	\$22,095	\$47,174	5.4
Bethlehem	5	Town	32,844	48.8	673.0	\$31,492	\$63,169	3.1
Knox	5	Town	2,722	41.8	65.1	\$22,670	\$55,658	5.4
Menands	5	Village	3,797	3.2	1,186.6	\$36,288	\$48,456	5.4
Voorheesville	5	Village	2,764	2.1	1,316.2	\$25,760	\$61,563	1.3
Watervliet	5	City	9,802	1.3	7,540.0	\$18,294	\$32,910	13.3
Colonie	4	Village	8,346	3.3	2,529.1	\$23,596	\$54,597	3.9
Ravena	4	Village	3,315	1.3	2,550.0	\$20,145	\$42,875	8.9
New Scotland	3	Town	8,711	58.1	150.0	\$29,231	\$58,956	4.1
Westerlo	2	Town	3,497	57.9	60.4	\$21,000	\$48,488	5.4
Rensselaerville	1	Town	1,899	61.5	30.9	\$20,921	\$42,391	5.3

ries—city, town, and village—establish, to an extent, the services provided, the potential areas for cooperation, the professional staff employed by the jurisdiction, etc. The eight municipalities that fell into the more active cooperators included two out of three cities (67%), two out of six villages (33%), and four out of 10 towns (40%). Three of the four towns in the more active end of the distribution had embedded villages; the fourth town was coterminous with its village. In each of these town-village relationships, about half of the cooperative agreements occurred between the nested governments. Only one town with an embedded village was in the less active group. Interestingly, in this case, both the town and its village were in the highest median household income bracket in the county.

When municipal type is considered with average household income, the results among the less active group are more striking. A majority of the villages (67%) and the towns (60%) were among the less active cooperators. Three of the four villages and five of the six towns had median household incomes that were above the median for the county (\$42,935). Several officials from these jurisdictions seemed to indicate that only agreements with the potential for high fiscal returns provide a sufficient return on investment. This may be the result of a robust local economy or their ability to achieve economies within their borders.

Financial condition, as a single factor, did not account for differences in high and low cooperators, but within

municipal categories there were some similarities. To assess fiscal condition (shown in Appendix C), we reviewed income data, tax rate data, poverty levels, changes in bond rating, the percent of debt and tax limits exhausted (where applicable), and interview comments on recent fiscal conditions. The municipalities that comprise each group (more active, less active) varied widely within their group in terms of per capita and median household income, poverty rates, tax rates, and debt limits exhausted. Moreover, municipalities in both groups ran the gamut of financial conditions in recent years, from those reporting steady prosperity, to some that described recent fiscal stress.

Looking at differences in financial condition *within* municipal type showed two patterns. As mentioned previously, towns and villages with median household income levels above the county median (\$42,935) tended to be less active cooperators. Small, more densely populated urban communities that were more active cooperators had similar financial metrics that included median household income below the county median and poverty rates exceeding 10 percent.

No patterns for the more active cooperators were apparent. The two cities that were more active have roughly the same per capita and median household income, but one had a much higher poverty rate. The two villages in the more active group have a \$20,000 spread in median household income. Except for the coterminous town/village, the towns in the more active group were fairly

similar to those in the less active group across the range of financial metrics.

One pattern related to financial condition did catch our attention. It became clear that the three local officials whose communities had weathered a period of fiscal stress responded in a similar fashion. At first, officials reacted to fiscal stress by economizing. They used familiar tools—freezing expenditures, suspending non-critical programs, and initiating temporary layoffs—to ameliorate the situation. None of the three described cooperative agreements as a strategy employed to deal with the immediate fiscal issues. However, each of them indicated that cooperative agreements became an element of their follow up strategy. Interestingly, all three leaders fall into the more active cooperator group.

Two components related to an affinity for intermunicipal cooperation, **readiness and outlook**, are the final factors considered in the search for patterns. Here, results focused on comments made during interviews that conveyed a positive attitude toward cooperation and/or a predisposition for innovative practices. If a leader described their approach to cooperation in positive terms or offered evidence of understanding how to improve collaborative efforts, they received a positive *outlook* designation. If the interviewee discussed comfort with structural or process change, and evidence that supported their position, they received a positive *readiness* designation.

In this category, the strongest pattern emerged. Officials who were given both an outlook and a readiness score tended to be more frequently engaged in cooperative agreements and/or innovative efficiencies. Of the eight officials in the cluster of more active cooperators, seven of them received a score in each category. In comparison, three out of the 11 officials in the less active group received both scores for affinity. Whether outlook and readiness precede action, or whether action increases outlook and readiness, is an important question for further research. It is also possible that perception and action are mutually reinforcing.

The results showed there was a healthy dose of iconoclasm among the active cooperators and the efficient entrepreneurs in Albany County municipalities. Officials in a few jurisdictions described themselves as an office holder who is “not a politician,” or as someone who does not need the job. Several others described themselves as individuals who do not find current government practices, boundaries, or structures as sacrosanct. In some cases, leaders expressed a willingness to relinquish the reins of leadership if the public finds their approach to change unwelcome. Interestingly, while these officials indicated their willingness to ignore boundaries and outdated distinctions in government systems when necessary, they also expressed a strong respect for local prerogative and citizen engagement.

FINDING II: CHALLENGES OF INTERMUNICIPAL COOPERATION

We asked municipal leaders about their experiences in building cooperative agreements, and what they found challenging. They observed that the obstacles they encounter spring from many sources. Some obstacles are citizen centered, some are the result of the officials' own constraints, and others derive from implementation issues and/or the perceived value of intermunicipal agreements.

Citizen-Centered Obstacles

Citizens of New York State pay a premium to sustain their local government services and enjoy the protections of home rule.³ They like the feeling of connectedness with their local government and fear that change in the delivery of services will compromise the quality and responsiveness of those services. At the same time, residents are practical, and given sufficient information and time, can decide to trade certain preferences for better service results or efficiencies. Achieving the conditions that foster such deliberation is not easy and presents a formidable challenge to local leaders. Nearly half of the Albany County leaders we interviewed observed that this tendency toward provincialism is a serious hurdle they face in proposing shared service agreements.

Officials also find that citizens often distrust the estimates of benefits from a proposed cooperative agree-

ment, a distrust that then extends to the purveyor of the proposed initiative. Citizens tend to be suspicious of leaders when they estimate how much money could be saved, provide assurances that no jobs will be lost, or promise that service quality levels will remain unchanged. In the experience of some elected officials, if the individual proposing a new service arrangement is far removed from the community, there is greater distrust for the initiative.

Some leaders feel that educating the public on the benefits and successes of intermunicipal agreements will help diminish the distrust factor. However, there is no blueprint for providing such education and the outcome is still dependent on demonstrating that a concept actually works. Once this barrier is broken and residents have evidence of how an agreement works, officials believe it would generally be easier to convince their constituents to engage in similar projects.

Leaders' Constraints

Municipal officials who are interested in exploring or implementing cooperative agreements reported that they are constrained by their own time and political considerations.

Officials told us that finding the time to initiate the relationships that can lead to intermunicipal agreements is hard, even when they value cooperation. As one town supervisor explained, the job is part time, leaving little

Challenges of Intermunicipal Cooperation

- Tendency toward provincialism
- Citizen distrust of benefits estimates (cost savings) and of the purveyors of cooperative agreements
- Finding the time to lay the groundwork for an agreement; having the time in office to get it done
- Political differences and political costs
- Administrative complexities
- Insufficient return on investment

³ *Accelerating the Local Governance Dialogue in New York State...Municipal Leaders Talk About Governing New York's Communities*, IGSP, 2007

leisure for anything outside of routine operations. Residents' issues take priority, and it is easier to return calls to taxpayers concerned with zoning issues than to pursue the supervisor of the neighboring town to open lines of communication. Without such investment of time, or the help of an individual or entity to arrange or facilitate the necessary encounters, it is hard to nurture an initiative into existence. The Albany County executive began to convene the municipal leaders in conversation about cooperative agreements two years ago, which has improved the prospects for cooperative agreements to some degree. However, the effect thus far seems to be an increased interest in exploring shared service agreements with the county rather than among peers. One reason for this tendency, officials point out, is that attendance varies, and your nearest neighbors, with whom an idea could reasonably develop, may not participate.

Tenure in office presents a different sort of time constraint. Officials serving two-year terms have diminished prospects for moving an initiative from incubation to implementation while in office. It is more likely that leaders will find themselves in the middle of the messy and more controversial stages of the work in this time frame, leaving the work and the official vulnerable at election time. For this reason, several officials observed that having the county play a facilitating or convening role around intermunicipal agreements increases the likelihood of succeeding during that narrow window of opportunity.

Political considerations also have a bearing on cooperation efforts. Some study participants noted that it takes political will to enter into formal intermunicipal agreements and, in their estimation, most officials in their networks don't have it. Moreover, since the higher yield cost savings agreements generally change current service practices to a degree, even the initial steps may involve the investment of political capital. It is easier to ignore intermunicipal cooperation cost-savings options because, as one leader told us, "there's too much politics involved." The simple mention of an intermunicipal cooperation idea can have an impact on residents—"emotions begin to run high, heated public discussion ensues, and the idea is shut down before it even gets off the ground." Many leaders are simply unwilling to deal with the aftermath of igniting the public's emotions in order to obtain cost saving agreements among municipalities.

Differences in political affiliations can also impede cooperation. In the experience of some Albany County local leaders, political congruence improves the odds of working together on initiatives. Both the Guilderland-Altamont land use agreement and the Ravena-Coeymans police consolidation agreement gained traction when leaders' perspectives and political affiliations became aligned. Here again, in the absence of any professional affiliation to build bridges among local leaders, the county can be a critical facilitator. Several of the town supervisors noted their disappointment in the professional associations for towns because there is no cooperation agenda.

Implementation Considerations

Sometimes agreement cannot be reached because of control issues, administrative complexity, or liability concerns. One study participant observed that agreements fall apart when one or more of the partners are looking for more control over the process than the others believe is equitable. Another leader noted that formal intermunicipal agreements increase the need for bureaucratic coordination among the partners and raise liability concerns. Municipal leaders don't want to increase their exposure to liability unnecessarily and choose informal, good-neighbor type policies over formal agreements. This way they avoid legal liability issues and are not forced to distribute liability among the partners. For example, one municipality reported it has an informal agreement on animal control services with another jurisdiction so that officers fill in for each other when one goes on vacation. Officials choose to keep the agreement informal rather than increase their liability exposure.

Return on Investments

Local leaders in the study described a cost and benefit calculation they apply to decisions about cooperation. The most frequently mentioned components of the calculation were the cost savings potential, the level of complexity entailed, local need, service neutrality, and a good-neighbor quotient. *Service neutrality* refers to service areas in which citizens tend to have little emotional investment, like purchasing agreements, insurance cooperatives, equipment sharing, and the like. The *good neighbor quotient* refers to the degree to which a coopera-

tive activity helps sustain a reservoir of good will among municipalities.

Understanding how officials apply decision criteria is not a simple matter and is beyond the scope of this study. We expect that there are other decision criteria to be unearthed and that the weighting of all criteria change with the service area and community conditions. Having said that, local officials did discuss some cooperative decision situations they faced and the criteria they believed to be pertinent.

A few leaders indicated that they weigh any potential for collaboration as a function of potential gains for taxpayers against the expected costs of investing in the idea. Costs may include budget outlays, administrative process changes, community conflict, and political capital expended. These leaders observed that increasing the costs and savings has a nonlinear effect on choices. For instance, many of them participate in the county purchasing cooperative praising the savings and the low administrative costs. In contrast, a health insurance cooperative offers the potential for considerable savings but requires a heavy administrative investment. Most municipalities stay on the sidelines and wait for pioneers to blaze a trail they can follow at less cost.

Some leaders explained that they invest in intermunicipal agreements for their cost savings potential first and service neutrality second. If a potential intermunicipal agreement meets both requirements, it warrants serious

Improving the Odds for Intermunicipal Cooperation

- The best agreements have high fiscal returns and low administrative costs
- Encourage staff to discuss practice issues with other municipal staff
- Programs with minimal development are better targets for cooperation—before they are entrenched in the community psyche
- Be attentive to striking moments in local conditions to change the structure of a service area
- Design proposed projects with a sunset clause or as demonstration projects
- Give serious attention to citizen education
- Pursue technical assistance from the county or state to address complex, multi-faceted cooperative efforts

consideration. Other officials look for cost savings, followed by low administrative costs—a measure of complexity. Interviews showed that local leaders are leery of complex intermunicipal agreements, having neither the time nor the resources to unravel obscure details. Nonetheless, they are increasingly interested in more complex cooperation opportunities that yield greater cost savings.

A few leaders indicated that they invest in intermunicipal agreements, mostly low-level formal and informal agreements, for their process value. Most, but not all of them, are active cooperators or efficient entrepreneurs. They recognize that simple intermunicipal agreements (IMA) that work well are the result of an increasingly trustful relationship, which can then serve as a catalyst for additional collaboration. As one leader phrased it, these agreements lay a foundation for sustained problem solving and mutual support. In other words, these local leaders pursue cooperative agreements for their good neighbor potential.

FINDING III: IMPROVING THE ODDS FOR INTERMUNICIPAL COOPERATION

Albany County local leaders are for the most part quite interested in intermunicipal cooperation and the prospect of participating in shared service agreements. Some of

this enthusiasm is linked to the new generation of agreements on the horizon, like health insurance cooperatives and competitive, online purchasing. However, their thoughtful observations on improving the odds of successful agreements suggest that they value cooperation as a tool of leadership.

Search for High Fiscal Returns, Low Administrative Costs

Several leaders stressed that the most attractive agreements have high fiscal returns and/or low administrative costs. To the degree that potential partners, or those who create incentives, can amplify either factor, the more likely it is that an agreement will occur. For example, local leaders pointed out that when Albany County officials assumed responsibility for building and maintaining a service—like competitive purchasing—it allowed the municipalities to participate with ease.

Allow for Bottom Up Ideas

Leaders from some actively cooperating municipalities encourage their departmental staff to interact with their counterparts in neighboring municipalities. They found that when staff share perspectives on their work, cooperation and joint problem solving frequently result. These municipalities now share equipment, provide backup services to one another, and exchange best practice ideas. Their respective staff have become the source of formal and informal intermunicipal agreements.

Avoid Entrenched Services

Another suggestion offered by local leaders is to focus cooperative efforts on programs or service areas that are relatively new. Building cooperative arrangements into the service structure before it is entrenched in the community psyche increases the odds of adoption. Here, the officials point to the relative ease with which hill towns and rural areas of the county adopted EMS services that are offered by the sheriff's department.

Capitalize on Striking Moments

A few local leaders, each a veteran of conflict with citizens over proposed cooperative service agreements, shared a valuable insight. They realized that as time passes and conditions change, there might be a striking moment to revisit a proposal. A striking moment can develop because of a change in fiscal circumstances, a change in technology, new participants in the process, or the introduction of new evidence that the proposed arrangements work as intended.

Build in Sunset Clauses

Building a sunset clause into a proposed shared service agreement or casting the proposal as a demonstration project can help reduce objections to some types of cooperative agreements. Local officials found this to be effective in situations where reestablishing the service to its previous status would be effectively cost neutral. Where residents see a need for change, but want protection from services that prove less effective or more costly, providing a sunset clause can be an attractive safeguard.

Communicate with Constituents

A few of the most active cooperators strongly advise that local officials not underestimate the public and make it a practice to keep constituents well informed. Since voters and legislative boards must support intermunicipal agreements, it is worthwhile to keep residents aware of ongoing issues and the search for solutions. It is important to explain the layers of proposals to residents. Officials noted that the methods that work best in achieving full disclosure and understanding of the issues with legislative bodies may be different from those that work best with residents. Nevertheless, the officials advise that to the degree possible, leaders make it convenient for their constituents to be informed.

Look Outside the Community

There is widespread appreciation among the active cooperators for the expertise and resources outside their community. The county's technical capacity and interest in cooperative activity make a new generation of intermunicipal agreements possible. The officials also feel that the resources and incentives offered by the state will be indispensable in propelling Albany County municipalities toward streamlined and affordable services.

FUTURE INITIATIVES

Local officials offered a number of innovative ideas for future cost saving initiatives and provided descriptions of initiatives under review. Their ideas are shared both for their innovative value and as an indication of the un-

derlying interest among local leaders in Albany County in cost saving intermunicipal projects.

Build on Asset Reporting

One village official suggested that the municipalities develop an asset repository. The repository would list equipment owned by cities, towns, and villages that could be shared on some regular basis or made available in an emergency situation. Since so many municipalities already share equipment, such a repository may prove useful.

Create Contracting Pools

The same official proposed that municipalities in the county create a ‘contracting pool’. For example, municipalities could pool their separate needs for paving each season to encourage more competitive bids from contractors and lower costs.

Create Equipment Purchasing Pools

In a similar vein, a town supervisor proposed an equipment purchasing pool to share the cost of limited use, but necessary equipment. One official used the example of a vibrating roller to illustrate. This piece of equipment gets used about 24 days a year. It is not fiscally responsible to spend \$80,000 to \$100,000 on equipment used so infrequently. As the official said, “You don’t need a degree in economics to realize that doesn’t make sense. Why not share it?”

Explore County-Bonded Debt

Another town supervisor found that the services of an internal controls officer proved very helpful in identifying novel areas for cost savings that are fully permissible in statutes. The town explored whether the county could bond municipal debt so that jurisdictions obtain a lower interest rate. The supervisor noted that this arrangement has an added advantage—residents who pay interest on the debt become the recipients of the interest payment revenue, reducing the costs of borrowing.

Enhance Cooperative Purchasing Bidding

The county paved the way for municipalities to participate in cooperative purchasing. County Executive Breslin found early advantages to this form of cooperation because it does not require a lot of paperwork and does not threaten specific services produced by local residents. Building on the success of the purchasing cooperative, the county executive is developing an “online cooperative bidding system” that pools purchasing power among participating county municipalities. In a recent address, he explained that the “online software tool will facilitate the cooperative bidding process throughout the state, enabling political subdivisions to participate in the cooperative bidding process and to take advantage of the expertise of county procurement personnel.”

Expand Health Insurance Cooperatives

The county also leads the exploration for less costly health insurance options. The county moved to self-insured status about two years ago, achieving considerable savings. The current effort is to investigate options for a health insurance consortium so that Albany County municipalities could achieve these savings as well. More than half of the municipalities expressed keen interest in a health insurance cooperative and await details.

Merge Highway Departments

Another fruitful area for cost savings that the county has explored are highway department mergers. As reported in Appendix A, the town supervisor in Berne collaborated with the county in proposing a merger of highway departments. Although the agreement failed to gain town board approval, the itemized savings on costs and offsets from grants were significant. At least four other municipalities are interested in exploring a highway merger, and registered their dismay that the test case in Berne never got traction.

Conduct County-Wide Assessment

Several active cooperators indicated their interest in countywide assessment services. According to the proponents of the suggestion, Albany County is not interested in such an arrangement at this time. A drawback for the county may be that property assessments can be controversial and have lasting negative impacts. Until

conditions change, some municipalities share the services of an assessor.

DISCUSSION OF FINDINGS

The Mapping Albany County project sought to achieve two things: record and describe the array of cooperative activities in a single county, and assess whether such close inspection adds to our understanding of intermunicipal cooperation. Local governments across Albany County served as a laboratory for this study. As we mentioned at the outset, the intent of the Mapping Project was to document existing inter-local activities not evaluate the county's efforts. The record of cooperative activities across the county is accurate to the degree that the study methods permit. Each municipality was given an opportunity to review their summary information and correct the record if needed.

What does the composite picture of cooperation within Albany County reveal?

First, the composite shows modest levels of cooperation across the county until recently. All municipalities engage in some form of cooperative service arrangements, if only in a few cases, to secure a service for residents that could not be provided any other way—like EMS services. The composite also shows that nearly all municipalities engage in low level informal agreements in areas like

Picture of Cooperation in Albany County

- All municipalities engage in some form of cooperation to deliver services
- More active collaborators often center around neighboring urban (or urban-like) small communities
- More active collaborators can also be found in (three of the four) towns with embedded villages
- Less active collaborators tend to have fewer than 10,000 residents
- Less active collaborators also tend to have household incomes higher than the county median
- Municipal managers are ready and willing to explore more intermunicipal agreements in a variety of areas

Cooperative Behavior Patterns in Albany County

- Municipalities want cooperatives to purchase goods and health insurance, and they want to pool small contract services in to larger blocks
- Albany County's municipalities are increasingly interested in partnerships between the county and individual municipalities, as well as in larger cooperatives
- Municipalities that had experienced fiscal stress were more likely to favor shared service agreements after the crisis period had passed
- A leader's affinity for, and positive attitude about, cooperation plays a role in his/her municipality's likelihood to be active cooperators

equipment sharing and service exchanges. These agreements offer convenience, small efficiencies, and sustain good will.

The cooperation 'map' shows that among the more active cooperators in the study there are two identifiable clusters. One cluster of active cooperators is neighboring urban, or urban-like, small communities. These communities are quite entrepreneurial with respect to cost savings and intermunicipal agreements. They offer a full complement of municipal services, and have shared service agreements, both formal and informal, in a majority of service areas evident across the county. A second cluster of active cooperators is comprised of three (out of four) towns with embedded villages.

About half of the cooperative activities these municipalities undertake are exclusive to the nested governments, as can be seen in the more detailed descriptions in Appendix A. While this is not a surprising finding, two of the town-village pairings executed unusual and/or challenging agreements. One agreement concerns land use decision making (see Guilderland-Altamont), while the other is about the consolidation of policing services (see Coeymans-Ravena).

The cooperation table (see Table 2) also shows that less active cooperators in the study are similar in two ways. This cluster of 11 communities is largely comprised of towns and villages that are less populous—nine out of 10 have fewer than 10,000 residents. The group is also rela-

tively wealthier—nine out of 11 are above the county's median household income level.

Examining the cooperation map results against municipal metrics and fiscal data showed some modest patterns. Population, considered as a single factor, was not associated with more active collaborators. A smaller population was a feature within the cluster of less active cooperators. Geographic size was a defining feature of a subgroup of active cooperators—small, urban, proximal communities—but it is only one of several similar identifying features of this group. Municipal category had some connection to the more active cluster; most towns with embedded villages were part of this group. Fiscal condition data produced an interesting result; municipalities that are more affluent comprise the bulk of the less active cooperators. This result may be driven more by the fact that there are proportionally more towns in the study than cities, and that towns are generally more affluent. Having an affinity for intermunicipal cooperation, as measured by outlook and readiness (see Finding I), was one of the clearest patterns emerging from the study. Using interview data as the source for assessing affinity, seven out of eight local leaders in the cluster of more active cooperators received a score for both measures.

The level of cooperative activity among Albany County municipalities and the focus of these cooperative efforts have clearly shifted. Interview data shows that much of the previous cooperative activity centered on good

neighbor agreements (equipment and staff sharing, emergency equipment loans, plowing agreements) and contracts for paramedic services and landfill tipping privileges. Water and sewer agreements were fairly common among neighboring towns.

The record over the last two years is somewhat different. The focus of cooperation has shifted to options with greater impact and benefits. In most cases, the benefits are financial, as we see in the growing interest in the county's purchasing and health insurance cooperatives, and service consolidations. But some agreements are about policy outcomes or service improvements, as seen in the land use agreement and the combined sewer overflow projects. With fiscal pressures increasing, Albany County officials developed and provided models for cost saving approaches to health insurance and purchasing. The county pursued state incentive opportunities to explore mergers of highway services. The county executive created a forum for municipalities to discuss cooperation, kindling interest among several municipalities to join the purchasing cooperative, and encouraging others to explore more complex cost savings opportunities.

Municipal leaders are clearly interested in extending their cost savings (see Table 3). At the time that interviews were conducted, 11 of the 19 constituent municipalities expressed a strong interest in joining a health insurance cooperative; the town of Bethlehem and the city of Cohoes joined the county in a funded study of the options. About half of the municipalities participate in the

purchasing cooperative. Three municipalities have an interest in countywide assessment. Four local governments want to explore highway mergers or service contracts. One local leader professed an interest in a workman's compensation insurance cooperative. Four municipalities (counting Green Island only once) participate in the combined sewer overflow project, although this is a mandated program.

TABLE 3: Interest in the New Generation of Cooperative Activities by Municipalities in Albany County

Type of Cooperative	# Considering the Option
Health insurance	11
Purchasing	7
Highway merger or service contracts	4
Combined sewer water overflow	4
Countywide assessment	3
Workman's compensation insurance	1

Overall, the findings of the Mapping Project clearly suggest that municipal managers are ready to more closely examine the option of intermunicipal agreements in a number of different areas. Their interest is fueled by increasing costs of operations, the incentive structure provided by the state, and the support and facilitation supplied by the county. The time appears ripe for an expansion in cooperative activities.

Did the study yield some ideas about cooperative behavior and suggest areas for future study?

The Mapping Albany County Project produced a more detailed portrait of cooperation activities and perspectives in one county that may serve to shape further inquiry. The project also added some missing detail to our understanding of the cooperative landscape and suggested where to look for additional information.

The findings increased our awareness of the decision criteria employed by municipal leaders as they contemplate a cooperative project. To some degree, officials consider project complexity, cost savings, administrative load, local need, service neutrality, and a good neighbor quotient in their deliberations. Future research can address questions about how these criteria operate across different conditions and service areas, and assess any ordering effect among the decision factors.

The study findings revealed four patterns that warrant mention and raise several research questions. First, municipalities are increasingly interested in cooperatives to purchase goods and health insurance, and to pool their small contract services needs into larger blocks. In terms of calculation components that the local officials described (see Finding II), these agreements would score well on a cost savings and service neutrality scales. These initiatives may also score fairly well on a complex-

ity scale taking into account the county's lead role in scoping the possibilities.

Research question:

- *Would there be greater receptivity statewide for cooperative innovations that blend these features?*

Second, the study shows that within Albany County interest in cooperative partnerships is moving in two directions simultaneously, partnerships between the county and individual municipalities, and multijurisdictional participants in larger cooperatives. The growth of partnerships among peers is growing more slowly, possibly as a result of having exhausted the options for cost savings that can be achieved easily among municipalities.

Research question:

- *What are the implications for achieving a more streamlined local government system if this trend holds statewide?*

Third, fiscal stress was not an immediate catalyst in increasing cooperation among local governments in Albany County. Fiscally stressed municipalities turned their attention first to internal economies. However, when the officials in these communities remained in power afterward, each of them became more active proponents of shared service agreements.

Research questions:

- *Is it the process of surviving fiscal stress that encourages cooperation, or do leaders disposed toward cooperation survive fiscal stress?*

- *Does the pattern hold across all counties, and if so, what else might explain the connection?*

Finally, the Albany County results show that a leader's affinity for cooperation matters. While this may make some groan because they prefer a structural remedy to increase cooperation, the finding begs several questions.

Research questions:

- *What taught the cooperators to behave this way?*
- *Have these leaders reframed the way they look at 'business as usual'?*
- *Were they elected for their affinity toward cooperation or some indicator related to it?*
- *Can we teach or transfer an affinity for cooperation to local leaders, their legislative bodies, and citizens in some way?*

IGSP plans to continue this work using a broader sample of counties that will also permit statistical analysis. We recommend that future research expand this study as a multi-county project. We hope that future research will consider some of the questions posed above.

Municipal managers are ready to more closely examine the option of intermunicipal agreements. Their interest is fueled by increasing costs of operations, the incentive structure provided by the state, and the support and facilitation supplied by the county. The time appears ripe for an expansion in cooperative activities.

APPENDIX A

IN FURTHER DETAIL: COOPERATION ACTIVITIES OF ALBANY COUNTY MUNICIPALITIES

COUNTY

Albany County

An early form of intermunicipal cooperation instituted by the county was a simple program to promote savings through cooperative purchasing. Municipal managers received this program warmly for a number of reasons, including the benefit of buying in bulk, the improved process available through the county's more sophisticated and high-tech operation, and because doing so required no significant loss of autonomy. According to the county executive, Albany County and its municipal partners repeatedly beat the prices of items available through the state contract by using the collective purchasing program.


Other intermunicipal agreements the county has with local governments in Albany include:

- an arrangement with the Voorheesville School District where the county maintains school district bus exteriors
- fuel agreements with the Albany Water Department and the Voorheesville School District
- agreements with the towns of Coeymans and Knox to lease space for the storage of road salt purchased by the towns, or for the county to purchase salt and sell it to the two towns so they do not have to invest in building a covered storage facility

The county executive began holding quarterly intermunicipal cooperation meetings with local governments in Albany in April 2006. In an address before the Commission on Local Government Efficiency and Competitiveness, he said his purpose was to institute "a forum to discuss common challenges and new opportunities to create solutions through shared services and other intergovernmental cooperation." The county executive was already a believer in intermunicipal cooperation as one tool to deliver services better and more efficiently when the New York State Legislature instituted the Shared Municipal Services Incentive program (SMSI), which he viewed as another opportunity to promote his agenda.

Albany County Fast Facts

- Population of 297,556
- 523.4 square miles
- Per capita income is \$23,345
- Median household income is \$42,935
- Poverty rate is 10.6 percent
- Contains three cities, 10 towns, and six villages
- Nine cooperation categories (purchasing, salt shed, paramedic service, highway consolidation, health insurance, fuel sharing, vehicle wash, plowing, engineering services)



The county has intermunicipal agreements in place with neighboring counties—Rensselaer and Schenectady—to provide an expanded scope of social services. The county also has a contract with the state to plow and salt over 100 miles of state roads. The possibility of coordinating or consolidating highway department services with the towns was also examined by Albany County.

At the outset of the county's cooperation meetings, the county executive and his policy advisors decided to introduce a couple of specific intermunicipal cooperation proposals and encourage attending municipal managers to raise their own ideas. At one of the initial meetings, in the only example of a municipal manager approaching the county about merging departments, the town of Berne supervisor suggested to the county executive that they assess the viability of merging the town and county highway departments under the direction of the county. Approximately one-half of the roads maintained by the Berne Highway Department are county and state roads that are already covered by the county. Estimates of possible savings resulting from the proposed merger, described in greater detail in the section below focusing on Berne, were approximately \$300,000 annually. The proposed merger was also viewed as a pilot project to be instructive about the feasibility of similar operations in other jurisdictions. The county executive reported visiting Berne five or six times to discuss the proposal with officers and residents, but felt they met with significant resistance. Decision-makers and residents seemed to point out the downside to every possible angle. He explained that in the rural areas of the county, the highway department is often the main or most visible organ of government.

After approximately a year of meeting, participant interest and attendance at the county cooperation sessions began to decline.

CITIES

City of Albany

The city of Albany has several notable intermunicipal cooperation efforts underway. Albany provides computer aided dispatch services to several police and fire departments within Albany County, as well as on behalf of the county. These agreements provide revenue to the city's general fund and help offset expenses these agencies would otherwise be required to expend. The dispatch service provides enhanced support and security in the region by enabling user departments to communicate and share data.

Additionally, the city is involved in an intermunicipal agreement that was awarded a \$299,000 SMSI grant in February 2008. An agreement with Rensselaer County and Hudson Valley Community College created a cooperative prescription benefit plan that achieves significant cost savings for participating employers. Under the agreement, the city of Albany and its partners formed a local health consortium that enables cost savings in the management and administration of their prescription drug plans. The partners intend to use the grant money to expand membership in the consortium to achieve even higher savings.

The city also operates a regional landfill that provides disposal capacity for much of the Capital Region. The city entered into contractual agreements with the municipalities that establish the tipping fee for use of the city's landfill. In addition to providing a significant revenue source to the city, the landfill agreements provide member municipalities with the benefit of fixed-cost landfill capacity for their residents.

Further, the city and the county have had an arrangement since Mayor Erastus Corning's administration whereby the county makes the city whole on delinquent taxes. The taxes are recouped by the county by foreclosing on properties. Recently, the county took over the administration of many election services that the city previously provided. The city also participated in several county-led meetings to explore possible further agreements (joint purchasing) to achieve cost savings and deal with budgetary pressures.

Albany participates in the federally-mandated Combined Sewer Overflow project with its sister Hudson River communities (cities of Cohoes, Watervliet, Rensselaer, and Troy; town of Green Island; village of Green Island). This project updates the storm water and sewer infrastructure to reduce the likelihood and extent of overflow into the Hudson River

City of Albany Fast Facts

- Population of 93,963
- 21.4 square miles
- Per capita income is \$18,281
- Median household income is \$30,041
- Poverty rate is 21.7 percent
- Most heavily populated municipality in the county
- Six cooperation categories (sewer overflow, landfill and garbage, equipment sharing, health insurance, police and fire, fuel sharing)

resulting from storm surges during major downpours. This initiative, though, is less about cost savings and more about building a collective approach to a regional problem.

City of Cohoes

Cohoes is part of an SMSI grant awarded in February 2008 to explore the extension of a county-led health insurance cooperative. The city also cooperates with the school district by collecting taxes on its behalf. However, this arrangement is ending because it is no longer cost effective. Another arrangement with the school district includes trash pick up, which works effectively. The city also buys paper with the school district.

There is an informal agreement with Green Island to help with flooding, and Cohoes owns a sewer vacuum that it lends to Green Island. There is also discussion of Watervliet, Green Island, and Cohoes submitting an SMSI grant application for a larger-capacity sewer vacuum truck that they would share together with the county. Cohoes also participates in the collective purchasing consortium with the county. Finally, there is an informal agreement regarding animal control services with Troy; the officers from each municipality cover for the other when one is on vacation. The city participates in the federally-mandated Combined Sewer Overflow project.

City of Watervliet

The Watervliet mayor described resource and equipment sharing when discussing cooperation activities. The city exchanges street sweepers with the village of Green Island. The city has a full-size sweeper, which it sends to the village and operates with city public works employees. In return, Green Island allows the city to use a small street sweeper for its parks. Cohoes currently sends Watervliet its vacuum truck to assist with catch basin cleaning. However, one truck is not enough to cover all the catch basins in the two cities. To increase capacity, the mayors have been holding some discussions about using SMSI grant funding for the common purchase of another truck, and sharing employees to operate it. They have included representatives from the Albany County Water District in the discussions and the proposal drafting process. Another cooperative agreement with Green Island permits Watervliet to store road salt in its shed.

At one point, there was talk in Watervliet of combining fire departments with Cohoes. To further explore the possibility of merging, state grant funding was obtained to conduct a feasibility study. The analysis revealed it was more feasible for Troy and Cohoes to combine than Cohoes and Watervliet, so the proposed merger was dropped. The mayor also mentioned applying for SMSI funding to examine the possibility of sharing training costs for firefighters and public works employees with the village of Green Island.

City of Cohoes Fast Facts

- Population of 15,011
- 3.7 square miles
- Per capita income is \$18,416
- Median household income is \$32,856
- Poverty rate is 13.3 percent
- Seven cooperation categories (sewer overflow, tax collection, landfill and garbage, equipment sharing, cooperative purchasing, health insurance, police and fire)

City of Watervliet Fast Facts

- Population of 9,802
- 1.3 square miles
- Per capita income is \$18,294
- Median household income is \$32,910
- Poverty rate is 13.3 percent
- Five cooperation categories (sewer overflow, equipment sharing, salt shed, staff exchange, shared training)

Postscript: In January 2008, a new mayor took office in Watervliet. We spoke with the new mayor when it came time for officials to review the summaries for their municipality. As a result, the following information has been added.

The new mayor believes that a mix of management approaches—including intermunicipal agreements—will facilitate long-term fiscal sustainability. The city is currently pursuing sources of alternative revenue generation. For example, Watervliet owns a hydroelectric plant that generates energy that it sells to National Grid. The city recently applied for a permit to build another hydroelectric plant in New York State. The mayor feels it would be easier for local governments to be entrepreneurial than to convince the state to provide more assistance or reduce mandates. Entrepreneurial activities could become intermunicipal ventures. By working with other municipalities, risk and liability can be spread among the partner municipalities.

Several areas of potential intermunicipal cooperation seem fruitful to the new mayor. Watervliet recently began examining combining public safety dispatch staff from the city, Green Island, and Cohoes. The impetus for this idea emerged from the consideration of merging city police and fire services into one unit. Combining water departments might also be beneficial. He further suggested it might be a good idea to consider moving employee benefits and tax assessment to the county level. There is a study sponsored by Cohoes and the county to explore the feasibility of county-level tax assessment. Finally, he expressed interest in a health insurance cooperative, but believes that public safety is something that will likely have to remain local.

The mayor attends county-led meetings on intermunicipal cooperation, and monthly meetings held by the Local Government Council for the Center for Economic Growth where the topic of shared services arises. Many Capital District municipalities are involved in the Center's activities. The mayor believes the Center provides an effective support mechanism and helpful services. His opinion on the incentives offered by the SMSI program is that he is unsure if the awards reflect the intent of the Legislature in enacting the program. He feels the intent of the legislation was to achieve significant and recurring savings, but that the projects awarded grant money are generally on a very small scale.

Local Entrepreneur: Watervliet Explores Energy Production

Mayor Michael Manning of Watervliet believes municipal expansion into energy production and services is an innovative approach to creating new revenue sources. He feels this is one of many ways to create long-term fiscal sustainability. In the case of hydroelectric power, the mayor observed that municipalities have first rights on the leasing of dams when existing leases expire. Watervliet already owns a hydroelectric plant that generates energy which is then sold to National Grid. The arrangement works well for Watervliet. Currently, the municipality is examining opportunities to expand its activities in the hydropower industry. Municipal managers in Watervliet applied for a permit to renovate another facility near Rome, NY.

Such innovation can also take an intermunicipal form. Multiple municipalities can collectively own and operate hydroelectric facilities with the added benefit of larger scale revenues, and the ability to distribute the risk among the partners.

TOWNS

Town of Berne

Berne has several intermunicipal agreements. It was the first town in Albany County to pass a cooperative purchasing resolution with the county. This arrangement enlarges its buying power significantly. For example, joint purchasing reduced the cost of uniforms for highway department staff by 40 percent. The uniforms still come from the same vendor, but buying in bulk through the county purchasing department reaped significant savings. Other intermunicipal arrangements involve the Berne-Knox-Westerlo Central School District. The school district stores its salt in a portion of the Berne salt shed. The town also shares equipment with the school district, such as the use of solid waste containers to cut down on the cost of contracting with private haulers.

One cooperative effort that failed was the proposed merger of the town and county highway departments. The two highway departments operate out of facilities located within three miles of each other, and they exchange equipment. The town supervisor and the county executive were both proponents for consolidating the departments. An analysis to determine the costs and benefits of the proposed merger revealed significant inefficiencies resulting from the current arrangements. One inefficiency involved the town plow trucks; 49 percent of the roads they covered were county and state highway roads that had to be traveled in order to get to the town roads that were their real plowing targets. This redundancy would be eliminated with the merger, as the county would perform both snowplowing and road maintenance.

Town of Berne Fast Facts

- Population of 2,850
- 64.1 square miles
- Per capita income is \$22,095
- Median household income is \$47,174
- Poverty rate is 5.4 percent
- County's least populous, but geographically largest town
- Five cooperation categories (equipment sharing, cooperative purchasing, salt shed, paramedic service, highway consolidation)

nance. Additionally, efficiencies would result from changes in the management and maintenance of the highway infrastructure—county engineers would conduct the survey of the roads, and since the county can borrow money for infrastructure repair at a better rate than the town, the town could receive money from the county and invest the savings.

The county executive thought the proposal had a good chance of moving forward. He believed negotiating some of the traditionally challenging components of any proposal—concerns over wages and benefits—would be easier in this case since he estimated salaries and benefits would have remained about the same. Nonetheless, it was the town employees who drove most of the concerns that were raised, according to study participants. In addition to the staff concerns, the county executive said some were worried that the town was being robbed of its identity.

The town board did not think the highway department consolidation would work. The board’s objections included skepticism about the extent to which the proposed savings would materialize, arguments that consolidation was tried previously and did not work, and a general feeling of distrust of relying on a government that is further removed from the people.

In an effort to reverse the board’s decision, the supervisor brought in the county executive and some members of an earlier town board to talk to the members of the current board. They presented information supporting the position the consolidation would save the town \$200,000 a year, and provide taxpayers a two percent tax reduction. The county and town would have received a total of \$600,000 in SMSI grant money.

The efforts of supporters to change the minds of the town board members were unsuccessful. They did not agree to submit an SMSI grant application to support the proposed merger. The county began the process of developing the grant proposal anyway, but the town board remained steadfast about not consenting to the grant submission. Consequently, the town did not receive the \$300,000 in grant money available through the SMSI program. Later the town board raised property taxes by 20 percent and proceeded to tap into town savings.

Town of Bethlehem

The town participates in the purchasing consortium coordinated by the county. The town also recently began working with Albany County on a county-initiated health insurance consortium. This health insurance plan is self-funded through the county and is estimated to save the county approximately \$2 million a year. Bethlehem is hoping to participate in this arrangement. The county successfully obtained SMSI money in February 2008 to cooperate with Bethlehem

Town of Bethlehem Fast Facts

- Population of 32,844
- 48.8 square miles
- Per capita income is \$31,492
- Median household income is \$63,169
- Poverty rate is 3.1 percent
- Five cooperation categories (cooperative purchasing, paramedic service, health insurance, police and fire, sewer and water)

and Cohoes to examine the feasibility of such a consortium. The town by itself does not have the employee base to make this type of health insurance cost effective, but it might work with county-level participation. If establishing an arrangement with the county proves unworkable, the Bethlehem supervisor is thinking about trying a similar approach with the school district. This version of health insurance is cheaper, with fewer administrative costs and better scope of coverage.

Bethlehem is also examining opportunities to recoup costs for its two ambulance districts by implementing a revenue recovery system. Currently, these volunteer ambulance companies are funded solely from an ambulance district tax levy. The revenue recovery will allow the town to reduce its ambulance tax levy. The supervisor suggested that the revenue recovery system might result in a consolidation of ambulance districts.

The town has its own police department. However, town officers are exploring the possibility of taking advantage of the county sheriff's department to supplement the police force so they will not have to expand and drive up costs.

Town of Coeymans

The town participates in a variety of longstanding cooperative agreements that include: a salt shed and fuel agreements with the county, contracts for paramedic services, and equipment sharing, plowing, and sewer/water agreements with the village of Ravena. The town and county engaged in a fee-based agreement around bridge repair. Both the county and the town had bridge repairs to conduct and the county agreed to be overseer on both jobs.

Coeymans has also increased the range of its cooperation with the village in recent years. In 2005, the town supervisor suggested that the village of Ravena eliminate its police department, offering to have the town take over responsibility for providing police services to the village. It was estimated that village taxpayers would save approximately \$200,000 annually. The town has since taken over responsibility for policing the village, incurring a modest increase in cost distributed among all town/village taxpayers. The town police department also assimilated a significant number of part-time village police officers into the town force.

The Coeymans supervisor suggested the Ravena village court be abolished and assimilated by the town court. Three members of the village trustees were in agreement with the idea. The supervisor also asked them again to join in an SMSI grant to consider the possibility of dissolving one of the governments, but has not received any response yet from the village. Additionally, the supervisor identified a longstanding intermunicipal agreement, going back some 30 or more years, governing the shared ownership and operation of a sewer plant.

Town of Coeymans Fast Facts

- Population of 8,009
- 50.2 square miles
- Per capita income is \$21,686
- Median household income is \$46,742
- Poverty rate is 6.9 percent
- Nine cooperation categories (equipment sharing, salt shed, paramedic service, police and fire, fuel sharing, plowing, engineering services, staff exchange, sewer and water)

Town of Colonie

Most of the agreements the town has are longstanding—in place for at least five years—except the Combined Sewer Overflow project. One significant area of cooperation involves purchasing. The town participates in a Capital Region purchasing group that allows sharing and viewing of bids. Some recent activity included the purchase of yard refuse bags in cooperation with the city of Troy and road striping with the county.

Another area of cooperation involves community development. The town has cooperative agreements with: the villages of Colonie and Menands under the Community Development Block Grant program, the cities of Troy and Schenectady on the administration of funds targeted to first-time home buyers, the city of Schenectady on implementation of the Capital Region Fair Housing Outreach Initiative through a memorandum of understanding, and the county and city of Albany to obtain funding for programs and services for the homeless.

Other cooperative activities involving the town include: the sharing of a fuel station with the NYS Department of Transportation and several fire districts, rental of the village of Colonie’s street sweeping equipment, cooperation with the county and NYS Department of Transportation on some road and utility projects, and coordination with Albany County on providing regional transportation to senior citizens.

The town is aware that cooperative health insurance is on the county’s agenda. However, cooperative health insurance buying is very complex and would require pretty significant cost savings in order for the town to pursue it. The municipalities could organize it if there were enough interest.

Postscript: In January 2008, a new supervisor took office in the town of Colonie. We spoke with the new supervisor when it came time for officials to review the summaries for their municipality. As a result, the following information has been added.

The town is also negotiating a new intermunicipal agreement with Menands to expand the availability of water to the village. The village recently determined that its ability to provide adequate water pressure to a small portion of its customers is inadequate. The town is capable of meeting the pressure needs of the village because the town is upland to the village. The intermunicipal agreement will address issues such as the cost of the water delivered to the village, and which municipality will pay for the necessary improvement to bring water from the town to the village.

Town of Colonie Fast Facts

- Population of 81,072
- 56.1 square miles
- Per capita income is \$25,231
- Median household income is \$51,817
- Poverty rate is 4.7 percent
- Eight cooperation categories (landfill and garbage, equipment sharing, cooperative purchasing, fuel sharing, plowing, community development, sewer and water, shared training)

The town and Watervliet are in the process of negotiating an agreement permitting the city to dispose of city-collected residential and light commercial waste at the town landfill. Currently the proposal is for a multi-year agreement. The current supervisor believes the arrangement would be beneficial to both parties: it helps stabilize the city's future waste disposal expenses and ensures that the town has sufficient solid waste in the town landfill to provide funding for the facility. The landfill is solely funded through a user-based fee system. This agreement will not increase the total quantity of waste accepted at the town facility, as the New York State Permit caps this amount at 170,500 tons per year.

Town of Green Island

Green Island is a special case in local government administration in that it is the only instance in Albany County where the town and the village boundaries are coterminous. Both Green Island municipalities each provide some services, in what is perhaps a model of intermunicipal cooperation, and they reportedly work effectively together.

The town provides the tax receiver and town assessor. The town assessor works for the village as well, and his salary is split between the town and village. The town and village also split the salary of the town attorney. The village has its own public works department whose services are also provided to the town. The village performs the snow plowing for the town, as well as refuse removal for the town and the school district. The village operates the police department, which also patrols the town. However, there is only one court system, operated by the town.

There is some equipment sharing with other municipalities. For example, the town borrows a street sweeper from Watervliet because it is cost prohibitive for it to purchase such a piece of equipment on its own. The town reimburses Watervliet for this service either monetarily or by trading services. The town and village share common water/sewer infrastructure.

Town of Guilderland

Guilderland has several intermunicipal agreements with the village of Altamont, which is located within the boundary of the town. The two municipalities share a grant writer. One staff person from the parks department is also shared with the village, serving as a community events coordinator. The grant writer agreement is in effect for several months and the community events coordinator agreement is in effect for eight months.

The town and the village also cooperate in a shared fuel purchasing agreement and jointly purchased property together to use as a community center. The fuel buying cooperative has been in effect for several years. Guilderland also has water system agreements with neighboring towns and villages.

Town of Green Island Fast Facts

- Population of 2,546
- 0.7 square miles
- Per capita income is \$17,795
- Median household income is \$32,500
- Poverty rate is 10.0 percent
- Eight cooperation categories (sewer overflow, tax collection, landfill and garbage, equipment sharing, police and fire, court consolidation, assessor, municipal attorney)

Town of Guilderland Fast Facts

- Population of 34,630
- 57.9 square miles
- Per capita income is \$29,508
- Median household income is \$58,669
- Poverty rate is 4.1 percent
- Eight cooperation categories (equipment sharing, paramedic service, fuel sharing, assessor, grant writer, community development, land use, sewer and water)

Guilderland and the village of Altamont have a novel land use agreement that allows the village a voice in land use decisions recommended by the town planning board. Any land use proposal that falls within a specified distance from the village boundary activates the agreement.

Local Entrepreneurs: Guilderland and Altamont Agree on Land Use

The town of Guilderland and the village of Altamont forged a singular formal agreement around land use issues. Guilderland allows the village of Altamont a voice on land use decisions for projects that are near the village line.

When the Guilderland planning board receives a proposal, it is required to send it to Altamont for review and recommendations. The recommendations carry some weight because the board can only reject them by a super majority vote. When Mayor James Vaughan negotiated the agreement with town Supervisor Ken Reunion, they could not find a similar arrangement anywhere in the state. The partners have suggested that the agreement could possibly form the basis for a model of intermunicipal cooperation on land use decision-making. The agreement is in effect for 2.5 years.

Town of Knox Fast Facts

- Population of 2,722
- 41.8 square miles
- Per capita income is \$22,670
- Median household income is \$55,658
- Poverty rate is 5.4 percent
- Five cooperation categories (equipment sharing, cooperative purchasing, salt shed, paramedic service, sewer and water)

Town of Knox

Knox has several areas in which it practices intermunicipal cooperation. There is a formal intermunicipal agreement with the county on salt storage. The town could not afford to build an expensive storage shed, which can cost approximately \$100,000 to construct. The supervisor estimated cooperating with the county would have a long-range savings effect. There is also a formal agreement with Berne (and possibly Guilderland) to loan each other equipment and staff for highway repair during summer or for winter when equipment breakdowns occur more frequently. Guilderland also provides paramedic services on contract. Informal shared services have been in place for several years. For example, Knox participates in the county-led cooperative purchasing group. The town also cooperates on sewage treatment on a small scale.

The town is not considering any new forms of intermunicipal agreement this year. One project that is interesting to the supervisor is the prospect of countywide assessment. He cautioned the town might be reluctant to lose local control over this function, but it would be interesting to investigate. In Essex County, he explained, the county provides tax assessment services for the municipalities, creating consistency across the towns. He would like to learn more about that approach, and consider whether or not it might work in Albany County. He would also be interested in joining a benefits/health insurance consortium, since such benefits are a considerable cost to the town.

The supervisor did not report encountering any stumbling blocks to forming intermunicipal agreements. He closely watched neighboring Berne's consideration and rejection on the matter of merging highway departments with the county. The town also examined the option, but did not foresee any significant changes that would result from a merger with the county. The supervisor suggested that merging the highway departments might result in an inequitable redistribution of costs among towns in the county. Thus, to ensure fairness the county might need to consider a comprehensive consolidation of town highway departments.

Town of New Scotland

There are no formal intermunicipal agreements between the town and other jurisdictions according to the previous supervisor. There are only informal agreements pertaining to equipment borrowing and lending. Another municipality mentioned a water system agreement in place with New Scotland.

Town of Rensselaerville

This year's budget surplus was even higher than the previous year. The management practices pursued by the leadership of the town resulting in the surplus are worth highlighting as cost-savings approaches even though they were achieved without increased intermunicipal cooperation. Town managers ascertained the surplus of \$460,000 from the previous year could be invested to deliver a better return. Rensselaerville requested that the bank holding an array of deposited funds assign an interest rate reflecting the total amount of the deposit instead of varying rates on the separate accounts, resulting in a higher return. The town reported it raised approximately \$70,000 last year from bank account interest.

Town of New Scotland Fast Facts

- Population of 8,711
- 58.1 square miles
- Per capita income is \$29,231
- Median household income is \$58,956
- Poverty rate is 4.1 percent
- Three cooperation categories (equipment sharing, paramedic service, sewer and water)

Town of Rensselaerville Fast Facts

- Population of 1,899
- 61.5 square miles
- Per capita income is \$20,921
- Median household income is \$42,391
- Poverty rate is 5.3 percent
- One cooperation category (equipment sharing)

Local Entrepreneurs: Town of Rensselaerville Three-Pronged Cost Savings Plan

Rensselaerville expanded its budget surplus this year using innovative entrepreneurial ideas. Supervisor Jost Nickelsberg refined several existing operational activities: investment of town funds, purchasing, and energy supply.

After examining the amount of income generated from interest paid on the town's bank accounts, the supervisor speculated that he could increase the rate of return on the town's operating funds. On average, the many town accounts earned differential rates, amounting to about two percent interest overall. By meeting with bank officers, the town successfully negotiated a better interest rate on the total amount of money deposited at the location.

"We asked our bank to give us a rate that was a result of the total amount we had on deposit with them. This is, on any given day of the year, about \$1.6 million," said the supervisor. "All of a sudden, we doubled that [interest] income" to approximately \$70,000, he said.

Another initiative involved raising the bar on the competitive bidding process. Rensselaerville decided to require cost estimates from at least three vendors for any item costing \$200 or more. By instituting this rigorous acquisition standard, the town saved money on many purchases. For example, it was able to reduce the cost of insurance and culvert drainage pipes. "We bought more things spending significantly less money," Nickelsberg said.

Creative thinking also reduced the cost of heating municipal buildings in the town. The supervisor realized significant savings could be achieved by heating buildings using waste oil instead of the traditional method using heating oil, which more than doubled in price during the previous several years. To do so, the town bought a waste oil furnace for approximately \$10,000. It is estimated the furnace will pay for itself in approximately two years.

Town of Westerlo Fast Facts

- Population of 3,497
- 57.9 square miles
- Per capita income is \$21,000
- Median household income is \$48,488
- Poverty rate is 5.4 percent
- Two cooperation categories (equipment sharing, paramedic service)

Town of Westerlo

The town shares vehicles with Berne, Rensselaerville, Knox, Coeymans, and Durham in the event one or more of the neighbors requires assistance plowing roads in the winter. In an earlier period, the town used to lend the county heavy equipment, such as dump trucks, backhoes, and sport utility vehicles, for projects.

Westerlo reported it has one intermunicipal agreement in effect—with the town of Berne. The agreement permits each municipality to share the other's materials and trucks if needed. For example, if one town is out of salt it can approach the other; if one town's grader is broken, another can be borrowed.

VILLAGES

Village of Altamont

There are several formal and informal intermunicipal agreements in effect in Altamont. One example is a formal agreement with town of Guilderland that allows the village of Altamont a voice on land use decisions near the village line (see “local entrepreneurs” story on page 34).

Another example is an administrative agreement with Guilderland on energy supply. The village purchases gasoline from Guilderland’s depots. Because Guilderland is a larger organization, it can purchase fuel at a lower cost. Altamont vehicle operators possess a card that can be used at the depot. An additional example is the memoranda of understanding agreements with nearby municipalities (Guilderland, Voorheesville, Knox) on the cooperative use of equipment.

Altamont also contracts with the town to supplement staff for part-time activities. One contract pertains to the use of a staff person from the town parks and recreation department to provide assistance on senior citizens and farmer’s market initiatives. Another pertained to grant writing. Altamont uses the town’s economic development grant writing services. Altamont would otherwise likely have had to hire an additional staff person to obtain this service, raising the cost.

There are also agreements with the town of Guilderland, the county sheriff, and state police on coverage and dispatching. The Altamont police department provides coverage for 16 hours a day. That leaves eight hours with no village police on duty. The other police departments fill this gap as a courtesy. In return, Altamont agreed to cooperate and coordinate with the other police forces on the dispatching of its on-duty police officers. For example, in the event that an incident requiring police intervention occurs outside the village and town police are unavailable to respond to the phone call, the dispatcher might direct the call to the village police department.

Finally, Altamont has agreements with the state and county—memoranda of understanding—to address some snowplowing activities and road repair that the village would otherwise have to do.

Village of Altamont Fast Facts

- Population of 1,707
- 1.2 square miles
- Per capita income is \$23,232
- Median household income is \$52,500
- Poverty rate is 4.0 percent
- Seven cooperation activities (equipment sharing, fuel sharing, assessor, plowing, grant writer, community development, land use)

Village of Colonie Fast Facts

- Population of 8,346
- 3.3 square miles
- Per capita income is \$23,596
- Median household income is \$54,597
- Poverty rate is 3.9 percent
- Four cooperation categories (equipment sharing, fuel sharing, plowing, community development)

Village of Green Island Fast Facts

- Population of 2,546
- 0.7 square miles
- Per capita income is \$17,795
- Median household income is \$32,500
- Poverty rate is 10.0 percent
- 11 cooperation categories (sewer overflow, tax collection, landfill and garbage, equipment sharing, police and fire, court consolidation, assessor, plowing, municipal attorney, sewer and water, shared training)

The mayor expressed interest in pursuing a unified court system and joining a health insurance consortium. However, he cautioned there are legal barriers restricting participation to municipalities employing 50 or more staff, which disqualifies Altamont.

Village of Colonie

The village coordinates with the town of Colonie on snow plowing and street sweeping. The emergency management committee is also shared with the town. The village owns and operates a recreation center that it permits town residents, the North Colonie School District, and the area BOCES to use free of charge. The village also owns a fuel storage tank facility, which the town fire department and the North Colonie School District use on a fee basis.

Village of Green Island

The village of Green Island is coterminous with the town of Green Island. Village officials described resource/equipment sharing as their main area of intermunicipal cooperation. There is a cooperative sharing of street cleaning equipment between the village and Watervliet and Cohoes, and the sharing of catch basin cleaning equipment with Cohoes. Some discussions have been held on the possibility of purchasing and sharing a sewer vacuum machine, which can be expensive for a small municipality, with Cohoes and/or Watervliet. In the event a neighboring jurisdiction suffers from the breakdown of a garbage truck, Green Island has lent its trucks.

The town and village have separate governments but share the cost of several positions: assessor, tax receiver, court clerk, and municipal attorney.

At one point, the village considered disbanding its police department and contracting with the County Sheriff's Office for police services. However, residents did not want to eliminate the department. The village, instead, replaced full-time officers when they retired with part-time officers to decrease benefits costs and reduce budgetary expenditures (see "local entrepreneur" story on page 39).

The village also participates in the Combined Sewer Overflow project with Cohoes, the town of Green Island, Watervliet, Albany, Rensselaer, and Troy.

Local Entrepreneur: Green Island Village Police Department Saves Money and Gains Officers

A town or village police department often is one of the largest cost components of municipal operations. When Green Island Mayor Ellen McNulty Ryan wanted to reduce the cost of village operations, creative thinking about the structure of police services delivered the desired savings. By moving out the boundaries of existing practice, the village even added some new, highly experienced police officers to the force.

Officials initially floated the idea of disbanding the village police force and contracting with the Albany County Sheriff's Office to provide police services for Green Island's 2,600 residents. Village residents rejected the idea of giving up their hometown police force. They feared losing the constant, comforting presence of the experienced and skilled officers who protected their community in the past.

Finding another way to save money while retaining the existing department was imperative. The village realized it could replace existing full-time police officers when they retire with part-time officers. These officers work full-time for neighboring municipal police departments and receive benefits through those employers. "As full-time guys retired, we'd replace them with three or four part-time people to cover the shift," said one village official. "There're a lot of benefits that go along with it. You still have an in-town controlled police department, but at a lower cost because you're saving on benefits."

In addition to reducing fringe benefits expenses, Green Island gains by hiring officers with expertise that may not already be available within the department. "We can pick and choose the specialties we need," said another Green Island official. "We have investigators. We have forensic guys. We have traffic guys. We have all different specialties, and they're very beneficial to the department because we don't have to train our guys to do these specialties." Information sharing is another benefit of employing officers with full-time police careers in neighboring cities. The officers are exposed to local criminals and illegal activities when working in their home jurisdictions, and they bring that knowledge to work with them in Green Island. "When (the officers) come here there's just a good exchange of information," said the first village official. "We really have coverage in all areas."

Village of Menands

The village has a variety of intermunicipal agreements. Menands has an agreement with the Albany County Sewer District to purchase gasoline for use by its police department. Menands also reported coordinating shared plowing along the town/village border. While there is no formal agreement to share equipment with surrounding municipalities, Menands will do so on a case-by-case basis when a neighborly need arises. The village also worked with Cohoes and

Village of Menands Fast Facts

- Population of 3,797
- 3.2 square miles
- Per capita income is \$36,288
- Median household income is \$48,456
- Poverty rate is 5.4 percent
- Five cooperation categories (sewer overflow, fuel sharing, plowing, sewer and water, shared training)

Village of Ravena Fast Facts

- Population of 3,315
- 1.3 square miles
- Per capita income is \$20,145
- Median household income is \$42,875
- Poverty rate is 8.9 percent
- Four cooperation categories (equipment sharing, police and fire, staff exchange, sewer and water)

Village of Voorheesville Fast Facts

- Population of 2,764
- 2.1 square miles
- Per capita income is \$25,760
- Median household income is \$61,563
- Poverty rate is 1.3 percent
- Five cooperation categories (equipment sharing, cooperative purchasing, paramedic service, vehicle wash, sewer and water)

Green Island on the purchase of a catch basin cleaner. The village additionally has emergency water connections with the town of Colonie and city of Watervliet. Another intermunicipal activity involves shared training of public works employees in conjunction with the village of Green Island. Finally, the village is an active participant in the Combined Sewer Overflow project.

Village of Ravena

In an effort to save money, the village of Ravena eliminated its police department in 2006 and contracted with the town of Coeymans to provide police services. The village reported that it did not realize the savings that were supposed to be achieved from this move because the saved money was redistributed to other municipal purposes, specifically to purchase a new fire truck. One consequence of disbanding the police force is that village leaders do not have as much input into police operations as they had previously. In addition to the police services provided by Coeymans, the Albany County Sheriff provides services under state law. However, there seems to be some diminution of in the quality of police services resulting from the elimination of the village police force.

Ravena and Coeymans also cooperate regarding road maintenance and sharing equipment. If Ravena is blacktopping the roads and requires assistance, the Coeymans highway department is willing to send some of its crew to help. The village owns a street sweeper and will sweep streets outside of its boundaries (the hamlet of Coeymans).

The history of cooperative agreements between Ravena and Coeymans has revived under town leadership changes in recent years. However, even before the recent policing agreement, the two municipalities had a longstanding formal agreement to share a police chief, and they share ownership of a water treatment plant.

Village of Voorheesville

The mayor mentioned the village shares some equipment with the town of New Scotland. There is also cooperative purchasing with Albany County and a vehicle wash agreement. Ambulatory care is another service shared between New Scotland and Voorheesville. Each municipality has its own contract and the two service providers operate in conjunction with each other. The town of Guilderland and Voorheesville have a formal water agreement.

Fast Facts Data Sources

Population: 2006 US Census estimates **Land Area:** 2000 US Census **Per Capita Income:** 2000 US Census; 1999 dollars
Median Household Income: 2000 US Census; 1999 dollars **Poverty Rate:** 2000 US Census

APPENDIX B

Albany County Defining Characteristics						
	Population ¹	Land Area (square mile)	Pop. Density (people/sq mi)	Per Capita Income ^{2,3}	Median Household Income ^{2,3}	Poverty Rate ² (percent)
County						
Albany	297,556	523.4	568.5	\$23,345	\$42,935	10.6
City						
Albany	93,963	21.4	4,391.0	\$18,281	\$30,041	21.7
Cohoes	15,011	3.7	4,057.0	\$18,416	\$32,856	13.3
Watervliet	9,802	1.3	7,540.0	\$18,294	\$32,910	13.3
Town						
Berne	2,850	64.1	44.5	\$22,095	\$47,174	5.4
Bethlehem	32,844	48.8	673.0	\$31,492	\$63,169	3.1
Coeymans	8,009	50.2	159.5	\$21,686	\$46,742	6.9
Colonie	81,072	56.1	1,445.1	\$25,231	\$51,817	4.7
Green Island	2,546	0.7	3,637.1	\$17,795	\$32,500	10.0
Guilderland	34,630	57.9	598.1	\$29,508	\$58,669	4.1
Knox	2,722	41.8	65.1	\$22,670	\$55,658	5.4
New Scotland	8,711	58.1	150.0	\$29,231	\$58,956	4.1
Rensselaerville	1,899	61.5	30.9	\$20,921	\$42,391	5.3
Westerlo	3,497	57.9	60.4	\$21,000	\$48,488	5.4
Village						
Altamont	1,707	1.2	1,422.5	\$23,232	\$52,500	4.0
Colonie	8,346	3.3	2,529.1	\$23,596	\$54,597	3.9
Green Island	2,546	0.7	3,637.1	\$17,795	\$32,500	10.0
Menands	3,797	3.2	1,186.6	\$36,288	\$48,456	5.4
Ravena	3,315	1.3	2,550.0	\$20,145	\$42,875	8.9
Voorheesville	2,764	2.1	1,316.2	\$25,760	\$61,563	1.3

Data Sources
¹ 2006 US Census estimates
² 2000 US Census
³ 1999 dollars

APPENDIX C

Albany County Financial Data

Data Sources

- 1 NYS Comptroller
- 2 2000 US Census
- 3 OSC Data Management Unit
- 4 Moody's

	Tax Limit Exceeding 80% ¹		Debt Limits Exceeding 80% ¹		Median Household Income ²	Poverty Rate ² (percent)	Tax Rate Change '05-'06 ³	Tax Rate Change '06-'07 ³	Tax Rate Increase Higher than Rate of Inflation X=Yes		Underlying Bond Rate ⁴	Bond Rate Decrease ⁴	
	Yes	No	Yes	No					'05 CPI=3.4%	'06 CPI=3.2%		'04-'05	'05-'06
County													
Albany		X		X	\$42,935	10.6	.18	-2.5				No	No
City													
Albany		X		X	\$30,041	21.7	-7	-19			A3 ('06)	No	No
Cohoes		X		X	\$32,856	13.3	-9	-26			Baa2 ('06)	No	Increase
Watervliet		X		X	\$32,910	13.3	-7	+6		X	Baa1 ('06)	No	No
Town													
Berne	NA			X	\$47,174	5.4	-5	+5		X			
Bethlehem	NA			X	\$63,169	3.1	-6	-3			A1 ('04)		
Coeymans	NA			X	\$46,742	6.9	-3	-20					
Colonie	NA			X	\$51,817	4.7	+8	-7	X		Baa1 ('07)		
Green Island	NA			X	\$32,500	10.0	NA	NA	NA	NA			
Guilderland	NA			X	\$58,669	4.1	-5	-15			A1 ('05)		
Knox	NA			X	\$55,658	5.4	-2	-12					
New Scotland	NA			X	\$58,956	4.1	-6	0					
Rensselaerville	NA			X	\$42,391	5.3	-4	-16					
Westerlo	NA			X	\$48,488	5.4	-6	+4		X			
Village													
Altamont		X		X	\$52,500	4.0	-6	-15					
Colonie		X		X	\$54,597	3.9	-4	-4					
Green Island	X ('06)	X ('04-'05)		X	\$32,500	10.0	-10	-16					
Menands		X		X	\$48,456	5.4	+1	-4					
Ravena		X		X	\$42,875	8.9	-4	+2			Baaa3 ('99)		
Voorheesville		X		X	\$61,563	1.3	-4	+23		X	A2 ('99)		

APPENDIX D

ALBANY COUNTY MUNICIPAL BORDERS

