

**REPORT OF THE TRI-MUNICIPAL
SHARED SERVICES/CONSOLIDATION STUDY GROUP**

**Town of Mamaroneck
Village of Larchmont
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March 2010

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REPORT OF THE TRI-MUNICIPAL STUDY GROUP

Background

This is the report of the Tri-Municipal Shared Services/Consolidation Study Group whose formation was announced in July 2009 by Town of Mamaroneck Supervisor Valerie O’Keeffe, Larchmont Mayor Elizabeth Feld, and Village of Mamaroneck Mayor Kathy Savolt.

These officers named William Dentzer Jr. as Chair of the Group, which included, from each municipality, one elected official and one resident at large. These persons were Councilman David Fishman and Maureen LeBlanc from the Town of Mamaroneck; Trustee Josh Mandell and Chris Verni from the Village of Larchmont; and Trustee Nick Allison and Dr. Aran Ron from the Village of Mamaroneck. Trustee Allison was replaced by Trustee John Hofstetter in December by newly elected Mamaroneck Village Mayor Norman Rosenblum.

Mission Statement

The mission statement for the Group agreed by the Supervisor, the Mayors, and Mr. Dentzer was as follows:

To identify where sharing of services/consolidation of municipal functions in the Town of Mamaroneck and the Villages of Larchmont and Mamaroneck might produce material cost savings while maintaining or improving services and to suggest where such results might be feasible, therefore meriting in-depth study of these functions.

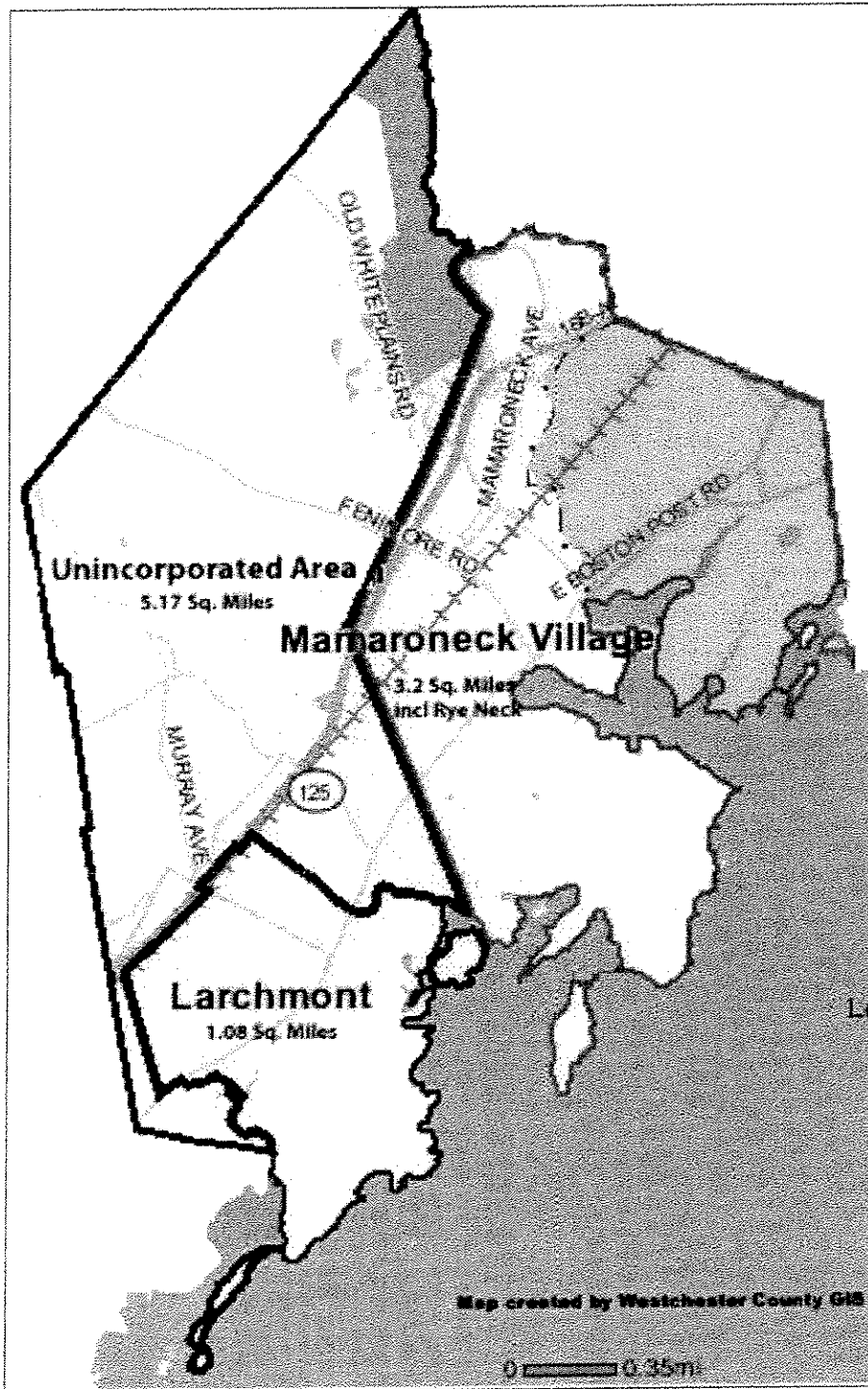
Please note the word “feasible” in the last full line immediately above. Because the perfect can be the enemy of the good, this study would seek to avoid issuing a report so heedless of existing laws and political realities that it never could be implemented.

Situation

The Study Group was well aware of the pressures that gave rise to its creation. These included Westchester County property taxes among the highest in the nation, taxpayer concerns about three municipalities cheek by jowl in a limited geographic area providing essentially the same services in their portions of the area, and a deep, job-destroying recession that some citizens saw as leaving public employees unscathed.

Some basic data about the three municipalities provide a useful point of departure.

The map below shows the approximate areas of the Town of Mamaroneck, its unincorporated area, and the Villages of Larchmont and Mamaroneck. The shaded section of Mamaroneck Village represents the portion of the Village that lies in the Town of Rye.



By New York State law, towns encompass all territory that is not that of cities and Indian reservations. Thus, with those two exceptions, everyone lives in a town. A village is a municipal corporation within a town, and village residents and its taxpayers are also residents and taxpayers of the town in which the village is based. By recent count, of the 932 towns in New York State, 421 of them contained one or more villages.

The Town of Mamaroneck was created in 1788. Almost a century later, the Village of Larchmont was incorporated within the Town, and the Village of Mamaroneck was incorporated within the Town and also within the adjoining Town of Rye. Their incorporation reflected the growth of population in the areas served by these new villages and the demand for public services by their populations in what had been a rural area. The non-village portion of the Town of Mamaroneck is referred to as the unincorporated area of the Town.

A contemporary comparative thumbnail sketch of the municipalities wholly or partially within the Town of Mamaroneck looks approximately like this:

	Population	Area (sq. miles)	Annual Expenditures	Assessed Valuations
Unincorporated Town	11,141	5.2	\$19.6 million	\$68 million
Larchmont Village	6,485	1.1	\$15.0 million	\$39 million
Mamaroneck Village ¹	18,413	3.2	\$28.2 million	\$77 million
General Town (shared) ²	28,967	8.6	\$10.4 million ³	\$155 million
<i>Total Town (plus Rye Neck)</i>	<i>36,039</i>	<i>9.5</i>	<i>\$73.2 million</i>	<i>N/A</i>

¹ Includes Rye Town residents, accounting for approximately 40% of village population and 39% of assessed valuations.
² Excludes the effect of the Rye Town portion of Mamaroneck Village.
³ General Town expenditures are funded by taxes collected from all Mamaroneck Town residents. Hence, residents of both villages are subsidizing the cost of Town services provided primarily to the residents of the Unincorporated area.

The map and table above show the area occupied by Larchmont with its smaller population relative to the others. In Mamaroneck Village, 60% of the population and 61% of assessed valuations lie within the Town of Mamaroneck with the remainder in Rye Town. While the land area of that village is 3.2 square miles, it has 9 miles of shoreline. The relative shares of property taxes paid by property owners within the Town of Mamaroneck look approximately like this:

<u>Residency</u>	<u>School tax</u>	<u>County tax*</u>	<u>Town tax[†]</u>	<u>Village tax</u>
Unincorporated Town	60%	19%	21%	N/A
In Larchmont Village	58%	18%	1%	23%
In Mamaroneck Village	57%	18%	1%	24%

* Includes County refuse disposal charges and sewer district taxes paid to other agencies.
[†] For village residents: includes only general Town and ambulance district taxes.

The table shown above indicates that Mamaroneck school taxes are by far the dominant factor in local property taxes even though the school district's annual budgets are subject to voter approval.

Some sharing/consolidation of services among the three governments already exist, with predictable accompanying efficiencies. All three share a single ambulance service and the senior center. Two municipalities – the Town for its unincorporated area and Larchmont Village – share the costs of the Larchmont Public Library. The two governments also share the costs of a Joint Sanitation Commission that collects garbage, refuse, and natural waste. The Town Assessor's Office also assesses real property in Larchmont for the Village, funded by town-wide taxes and a \$25,000 annual fee paid by the Village.

Feasibility of Mergers

If one were given magical powers to establish de novo a governmental structure embracing our three municipalities' 36,000 residents living in 9 square miles, the result clearly would not be three governments nor as many municipal employees. Our task, however, is to deal with the structural realities that history has bequeathed to us and to seek progress that is achievable now.

Approximately two-thirds of the budgets of each municipality are for personnel costs, and over 90% of those costs are determined by the effect of public employee union contracts. Weighing against any wholesale merger are nearly a dozen of these problematic multi-year contracts and New York state laws protecting jobs and job duties under those contracts. Police, fire, and other unions in this state regularly file grievances and lawsuits protecting their status quo, requiring municipalities to weigh the costs of acrimony and litigation as well as their chances of prevailing with union-friendly arbitrators. While it may seem a pungent overstatement, some say that in matters important to them, Albany is a wholly owned subsidiary of public sector unions. In theory, a municipality could seek to win a public referendum to abolish its police department, inviting a nearby town to police it thereafter, but who would advocate such a path? The public needs to be aware of the high structural barriers to reasonable, cost-saving changes.

Further on the matter of mergers, Mamaroneck Village lies within the Town of Rye as well as within the Town of Mamaroneck, complicating consolidation considerations by that village. It is theoretically possible that it and/or Larchmont Village could agree to dissolve and be absorbed into the Town of Mamaroneck. The Town presumably would be willing to absorb the villages, in part because it stands to benefit from access to significant new tax bases. In addition, each of the villages contain shopping districts, parks, fields and revenue-generating parking facilities, making them attractive to the unincorporated area which lacks some of these assets. However, we see evidence that neither village wants to be absorbed, fearing loss of control over services, their costs, and its future. If the villages want to be absorbed, their voters have means to express that wish.

In the course of our deliberations we discussed various possible mergers. These included mergers of three municipalities into one, of the Town and Larchmont Village, of only the Town and Larchmont police departments, and of only the Town and Larchmont fire departments. Each time we weighed the particular problems and consequences involved, seeking to distinguish between the realm of the possible and something more sweeping. Also, having identified cost-saving recommendations for sharing or consolidation among our three municipalities, we did not wish to see those recommendations lost in a larger, emotional debate that would jeopardize their implementation.

With feasibility a criterion of our mission, the Group concluded it would not recommend mergers of the municipalities or their major departments, though some members of the Group did so reluctantly.¹ Instead, the Group unanimously recommended measures to reduce costs but maintain services through acts of sharing and consolidation in seven areas, including police and fire departments in the Town and Larchmont, which offer near-term results and could lead to more in the future. In complex situations such as these, the wise way forward usually is an incremental route with elected officials and voters alert for opportunities that arise as events unfold and perhaps with authorization for subsequent studies like ours every five years or so.

Subjects Considered

Much time was devoted to consideration of a possible merger of the fire departments in the Village of Larchmont and the Town of Mamaroneck because of developments in 2007 and thereafter. Effective fire departments are vital to municipalities and their residents, as are police departments, and both are major consumers of taxpayer dollars. Our first two recommendations concern those departments with supporting detail to clarify the issues involved.

Departments of Public Works and other, smaller areas that are not the subject of our recommendations were considered in our review. In some cases the potential savings were so arguable or limited that they did not seem worth the angst involved. In other cases, some units had mixed functions not easily divisible, such as most current back office functions.

Perhaps the most frequently mentioned illustrative candidates for municipal sharing/consolidation are “back office functions.” They are cited in part because other commentators have mentioned them previously, because they threaten no specific vested interest, and few people understand their nature. Such functions serve at least two purposes: they respond to the demand of one municipality’s decision-makers for data on a time-sensitive basis, and they compile and massage data that is not time-sensitive except when decision-makers request it. More and better automation of municipal back

¹ One member wished the group to pursue a comprehensive study of the implications of merging the three municipalities and move more aggressively on sharing/consolidation of major departments.

office operations should eventually make consolidation here possible, and that is one reason for our recommendation of a tri-municipal information technology committee that can spur progress over time.

One back office function that does not have the kind of time-sensitive characteristics mentioned above is the assessor function. Therefore, it is susceptible not only to consolidation but also to being partially privatized at a cost savings to all three municipalities. It is the subject of one of our recommendations.

Recommendations

Some of our recommendations for sharing/consolidation between the Village of Larchmont (VOL) and the Town of Mamaroneck (TOM) do not include the Village of Mamaroneck (VOM) since the Group considered that village's board would be unable or unwilling to participate in them at this time. For the same reason, we ceased exploring the inclusion of the VOM in the Larchmont-Mamaroneck Joint Sanitation Commission whose consolidated status permits more efficient truck routes by obliterating municipal boundaries created more than a century ago. If the VOM, now or later, determines it wishes to participate in any area, such participation would be welcomed.

Our seven recommendations for action are explained in the pages that follow.

RECOMMENDATION 1: LARCHMONT-MAMARONECK TOWN
JOINT DETECTIVE TASK FORCE

Local police departments are vital and valued protectors of public safety. These departments also are typically the largest cost centers in local budgets. Uniformed police expenditures, excluding costs of crossing guards and support personnel, currently amount to about 20 to 25 percent of the annual budgets of our three communities. Larchmont has 26 such officers, Mamaroneck Town 40, and Mamaroneck Village 52 in their respective departments. While we believe these departments are vital, their size and unrealized potential for synergy should not be beyond scrutiny.

This recommendation does not include the Mamaroneck Village department since that department has responsibilities beyond the Town of Mamaroneck, adding complications to the recommendation's implementation.

Local police departments are composed primarily of patrol officers and detectives. Patrol officers are responsible for the day-to-day duties of policing, which include public safety and law enforcement. Detectives are called in when investigations are necessary and are trained in special skills. Detectives regularly brief patrol officers of developments in ongoing cases where their presence on patrol may be useful.

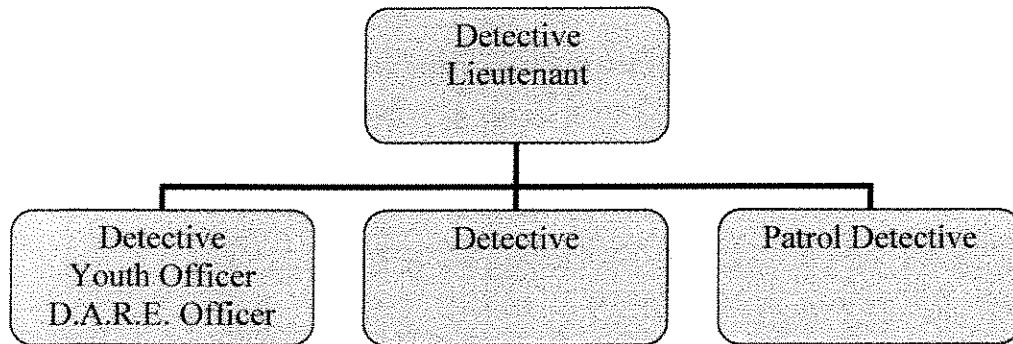
Departmental Detective Divisions

Sound policing policy indicates the advisability of having at least one detective available at any given time. To meet this standard, a stand-alone investigative unit must employ at least four persons trained as detectives, each working 42 hour shifts (42 x 4 = 24 x 7). Because overtime duty is compensated at 150% of base salary, it may be economically optimal to employ a fifth detective to fill-in while others are on vacation, personal, or other types of leave.

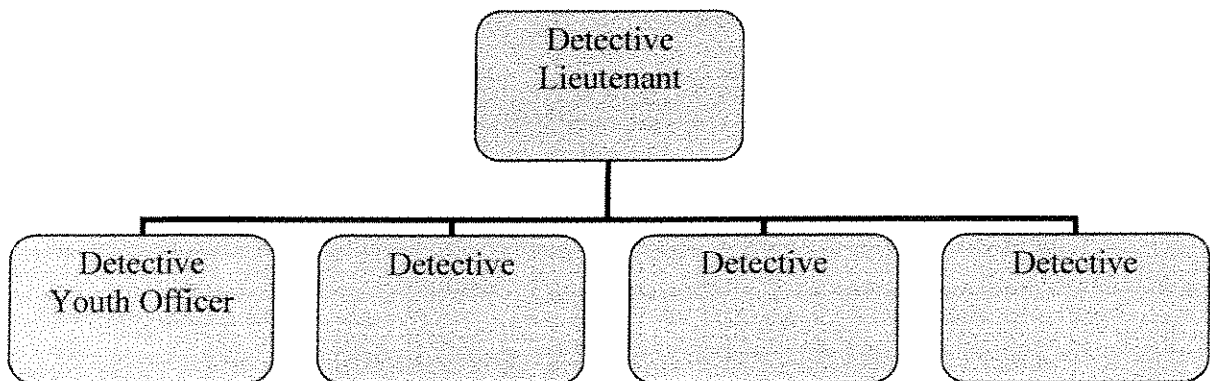
The TOM employs five full-time detectives with combined base salaries of \$506,265 -- a detective lieutenant, 3 detectives, and a detective youth officer. The VOL detective unit is staffed with four multi-use officers, earning combined base salaries of \$404,195 -- a detective lieutenant, one full-time detective, one person who performs dual duty as detective and uniformed patrol officer, and one person who performs the roles of detective, youth officer, and DARE officer. The base salaries for detective lieutenants range from \$116,185 to \$117,163; the base salaries for detectives range from \$93,604 to \$96,714 (based on the VOL 2009-10 and the TOM 2009 budgets).

Much of the work performed by detectives in this area pertains to forgeries, check-cashing fraud and shoplifting. Larchmont, despite its smaller size, is home to more stores and banks than the unincorporated area of the Town, and this must be considered when making staffing comparisons.

The structure of the Larchmont Police detective unit is as follows:



The structure of the Town of Mamaroneck Police detective unit is as follows:



Proposal

We propose the establishment of a Joint Detective Task Force comprised of the present detectives in those two police departments acting as one cohesive group. We recommend that be placed under the command of VOL Police Chief John Poleway, an innovative leader with an advanced degree in management. One benefit of such a force would be better communication since "strings" of robberies and burglaries tend to ignore municipal boundaries. A second benefit is substantial potential cost savings.

In the initial phase of our plan, Chief Poleway would assign the duties of all detectives, who would work in a central location. Since the detectives work under different union contracts, both sets of detectives would continue to work under their respective contracts. Chief Poleway would provide regular reports to the TOM Council and VOL Board on new or continuing investigations.

In the second phase of this plan, after months of actual experience, Chief Poleway would determine the optimal mix of personnel in the Task Force and report this to the TOM Council and VOL Board. The result will almost certainly be a smaller detective force with some detectives released back to their legacy police departments for reassignment after officer retirements or exercise of their contract rights. For example, the combined Task Force probably could operate with only one detective lieutenant instead of two and one detective youth officer, not two. We believe the Task Force could provide an adequate level of service with a reduction of these two officers, 22% of the combined workforce, and possibly with only five full-time investigative personnel and one supervising detective lieutenant, a potential reduction of 33% of the combined workforce.

During this second phase of the plan, consideration would be given to consolidating all detectives under a single union contract.

Potential Advantages

We estimate the smaller detective force would represent a cost savings of from about \$300,000 to \$450,000 from the combined present expenses of both departments.

Improved communications between neighboring municipal police departments and increased collaboration among their respective staffs will allow detectives to provide more comprehensive services to our combined pool of residents.

Potential Disadvantages

Specific roadblocks can arise from grievances and/or litigation from the police unions of which all detectives are members. These members are afforded protection under their respective contracts and the provisions of civil service law. Legal counsel recommends negotiations with the unions, seeking agreement not to oppose this plan.

Elected officials in the TOM and the VOL would have to substantially accept this plan. This means each would surrender some degree of influence, and they would have to deal with the consequences of long-term staffing decisions in phase two of the plan when some officers would return to their legacy departments.

Summary

This plan offers a combination of significant cost savings and improved service delivery across municipal boundaries. Police union objections to the plan should be anticipated since New York's Taylor law allows them to claim "exclusivity of work." This means, for example, that Mamaroneck detectives could object to Larchmont detectives being assigned to work in Mamaroneck Town. However, this plan offers the best chance of weathering union grievances, litigation, and civil service hearings since it is limited in nature and opposition to it would deprive taxpayers of up to \$450,000 in potential savings.

RECOMMENDATION 2: MAMARONECK TOWN AND LARCHMONT FIRE DEPARTMENTS

Historical Background

Originally in America, all fire departments were volunteer departments reliant on dedicated citizens to respond to fire alarms in their communities. Later, as populations grew and were housed in larger buildings, salaried firefighters began replacing total reliance on volunteers. Initially, these paid members were retained to operate specialized pump equipment and, later, to provide a more prompt delivery of apparatus to the scene of a fire. Today, the career staff members perform both of these functions and are typically trained as firefighters and Emergency Medical Service (EMS) first responders.

At present in Westchester, most towns and villages have fire departments with a mix of career and volunteer firefighters, as do the Town of Mamaroneck and the Village of Larchmont. The Village of Mamaroneck has an all-volunteer department without the expense of career firefighters; a number of its Department of Public Works employees by custom serve as volunteers, leaving their Public Works duties as needed for fire calls.

Firefighter Staffing at Larchmont and Mamaroneck Town Departments

As indicated above, the Town of Mamaroneck Fire Department (TMFD) and Larchmont Fire Department (LFD) utilize a combination of career and volunteer members. Each department operates at or close to minimum career staffing levels for a single firehouse. Since personnel costs account for approximately 90% of their budgets, the ongoing cost of operating each fire department is largely derived from the number of career personnel on staff. TMFD currently employs fourteen career firefighters, including four officers. LFD operates with fifteen career firefighters, including four officers, plus a career chief.

There is a difference in the staffing and service philosophy within the TMFD and LFD. The LFD maintains a standard of three-man minimum career staffing, while the TMFD employs a standard called "code two." Essentially, "code two" means that TMFD will set schedules to target three-man minimum staffing, but is willing to allow staffing to fall to two during the evening shifts. In the event that the third career firefighter is sick or otherwise absent at night, TMFD relies on a volunteer to report to the firehouse and drive the second-due engine to the scene of a fire.

The cost differences associated with operating TMFD at "code two" compared to the cost of operating LFD at three-man minimum staffing are not extreme. One of the sixteen paid firefighters in the 2009-10 VOL budget retired in the latter half of 2009, and the VOL Board resisted pressure to rehire a replacement while considering options. Beginning in January 2010, the VOL made changes to the scheduling system for LFD that affords the Village greater flexibility in manpower allocation and permits a three-man minimum staffing standard with only fifteen firefighters. This now represents only one additional career firefighter at LFD as compared to TMFD.

Other differences between TMFD and LFD staffing and mission exist:

1. TMFD offers EMS response *during the day shift only* while LFD career firefighters offer a trained EMS response to VOL residents 24 hours a day, seven days a week. Many fire departments in Westchester now perform EMS as an additional service to their residents. This helps complement and supplement the existing ambulance corps, typically composed primarily of volunteers. Since the fire departments are permanently staffed with career firemen, the governing boards of the TOM and VOL decided long ago to use them in EMS response. Their centralized location and full-time status frequently allows firefighters to arrive on-scene before the Volunteer Ambulance Corps (VAC). FD personnel will typically begin treatment, brief VAC members upon their arrival, and hand-off responsibility for patient care to the VAC team. EMS now comprises more than 50% of the calls for service at LFD. The difference between the time that the FD and VAC arrives may only be a few minutes; but when it comes to emergency medical service, *seconds count*.
2. LFD career firefighters are trained to perform fire inspections for buildings within the Village. The senior career firefighter, a New York State-certified Code Enforcement Officer, manages the inspection program. TMFD career firefighters are not responsible for inspections. Rather, the TOM employs additional staff, outside of the fire department budget, to perform this vital function for buildings within the unincorporated area.

Career versus Volunteer Chief

One significant staffing difference between TMFD and LFD is the Chief's position. In 2007, the VOL Board installed a career fire chief while the TMFD continues to utilize the services of a volunteer chief. Below, we outline the relative advantages of career and volunteer chiefs:

Advantages of a Volunteer Chief:

- a. *Volunteer Chiefs draw no salary or benefits.* Their expense is limited to the cost of training and firefighter gear.
- b. *Volunteer firefighters aspire to the position of Chief.* The installation of a paid Chief may reduce the incentive for some volunteers to join or continue to remain active after years of service.

Advantages of a Career Chief:

- a. *A career chief can be required to work a set schedule.* Since this is his "day job", a career chief usually works a regular schedule, typically straight days. Such a schedule is helpful since this is the time when many volunteers are

required to be at their place of employment and it coincides with the work schedule of the majority of municipal employees.

- b. *The position of career chief injects stability into the organization.* Emergency service departments, like corporations, should attempt to pick leaders with the best possible skill set to do the job. Once they identify and hire the best leader, they should do what they can to retain him/her unless and until they are no longer the best individual to perform the job. Many fire departments force turnover by limiting the amount of time a volunteer can serve as Chief. There is a sense among the others that the Chief should step down after a while and “let somebody else have their turn.”

Mutual Aid

It is important to understand that the concept of mutual aid is a long-standing example of sharing that has been typical between neighboring fire departments. Very few fire departments in Westchester are staffed and equipped to handle a “fully involved” fire in a large structure without the assistance of mutual aid partners from other departments. Indeed, the existence of mutual aid allows municipalities to operate fire departments at staffing levels that would otherwise be well below the threshold necessary to suppress possible large structure fires within their home communities. This means that unlike other employees of a municipality, firefighters assume responsibilities outside their own municipality. When a fire of any significance develops, it is “all-hands-on-deck” for the neighboring communities, too. A fire in the Village of Larchmont will be fought by all of the available firefighters in TMFD, as well as LFD. Large fires will result in mutual aid calls to the Mamaroneck Village fire department and others, just as these departments call on TMFD and LFD, and these responders work together as a team.

Proposals

Current relations between the two fire departments are better than ever and should not be strained by a forced merger of volunteers or unions that offers little in the way of potential savings without suffering a reduction in firefighting capabilities. Recent developments in mutual aid agreements between TMFD and LFD have been beneficial to all residents and the lines of communication between departments have been improved. The TMFD and LFD should continue along this path, and we offer the following proposals to tie them closer:

1. ***LFD should switch from local paging to 60-control.*** Currently, LFD remains one of the few departments in this area that self-pages alarms. The advantages to self-paging include the fact that there is greater recognition by LFD of local landmarks or colloquialisms that might be used by 911 callers to describe the location of a fire. The disadvantages of self-paging include the fact that one career firefighter must remain behind at headquarters for those vital few moments while he is dispatching the alarm to responding volunteers. This limitation alone seems to undermine the concept of maintaining paid firefighters in-quarters, ready

for immediate response. Furthermore, centralized dispatching is the trend in today's fire service. Currently, all 911 cell phone calls in this area are routed to 60-control, based in Valhalla, regardless of the location of the caller.

2. ***TMFD and LFD should implement a policy of dual paging*** for fire calls within a "designated dual-response area" (DDRA). This would mean that all fire calls within the DDRA would result in an initial page for both departments, without delay for investigation. The two fire departments would essentially behave as one department when fire alarms are received in this area. Residents of both municipalities would enjoy benefits in the form of higher firefighter turnout at fire alarms, and some residents would experience a quicker initial response time. The benefits of dual-paging are maximized when LFD switches from local paging to 60-control.
3. ***Begin to "think like one department"*** when it comes to equipment purchases, training, and technology. For example, *TMFD should consider upgrading to high-band handheld radios*, in an effort to standardize fire scene communications with LFD. (LFD recently purchased new high-band radios, funded by grant monies, representing the current standard of fire ground communications.) Also, since TMFD, LFD, and the Mamaroneck Village fire department are mutual aid partners, consideration of a substantial equipment purchase by one department should include the availability of that equipment at one of the other departments.
4. While the study group drew no conclusions regarding the trade-offs associated with a career chief, we do have the following observation regarding Larchmont's implementation of the concept. Since the LFD career chief is outside the union and therefore not a member of the collective bargaining unit, the fire union may argue that he is restricted from performing certain types of work. We believe that such work restrictions are inefficient in an organization of this size, and should be avoided to minimize otherwise unnecessary costs such as overtime and out-of-title pay.

Conclusion

Personnel costs account for roughly 90% of fire department budgets. Current staffing levels are based on the assumption of mutual aid, a practice which allows these departments to operate at staffing levels that would otherwise be considered too low. Since the residents rely on each and every firefighter in their department *and the neighboring department* through the practice of mutual aid, a merger focused on reducing firefighter headcount in either department would weaken the firefighting capabilities relied upon by residents of both communities.

Therefore, when considering merger, the Group focused on the only potential source for real savings, the inefficiency associated with duplication of management personnel. One such inefficiency arose from the fact that the Chief of the Larchmont Fire

Department is restricted from performing certain types of work because he is a management employee and not a union member. This situation creates inefficiency because it leads to the hiring of an additional person who otherwise would be unnecessary to meet minimum staffing standards.

As the Study Group neared the completion of its report, the Chief of the Larchmont Fire Department announced his intention to retire in the coming months. This represents a unique opportunity for the VOL Board to eliminate this inefficiency in one of the following ways:

1. A change in management structure, moving away from a career chief.
2. Relief from union work restrictions placed on a career chief, such that the chief can perform any of the duties of a career officer or firefighter. Such relief would allow LFD to meet its minimum staffing standards with only fifteen career personnel, including the chief.
3. A conditional agreement with TMFD to merge or share its volunteer chief, Sean McCarthy.

If alternative number three – merger – became the preferred method of resolving the above-referenced inefficiency, the governing boards of the Town of Mamaroneck and Village of Larchmont would have serious concerns regarding the equitable distribution of services provided to their residents. To resolve these concerns we recommend adoption of a single merger condition: *Any merged or consolidated fire department would be governed by two fire commissioners with equal representation from the Village of Larchmont and Town of Mamaroneck.* This follows the successful model of the Joint Sanitation District where the Mayor of Larchmont and the Supervisor of Mamaroneck Town each hold one vote on a two-person commission. Concerns regarding such control issues are ever present in the arguments against any merger or consolidation, and they must be dealt with before any progress can be made.

Annex

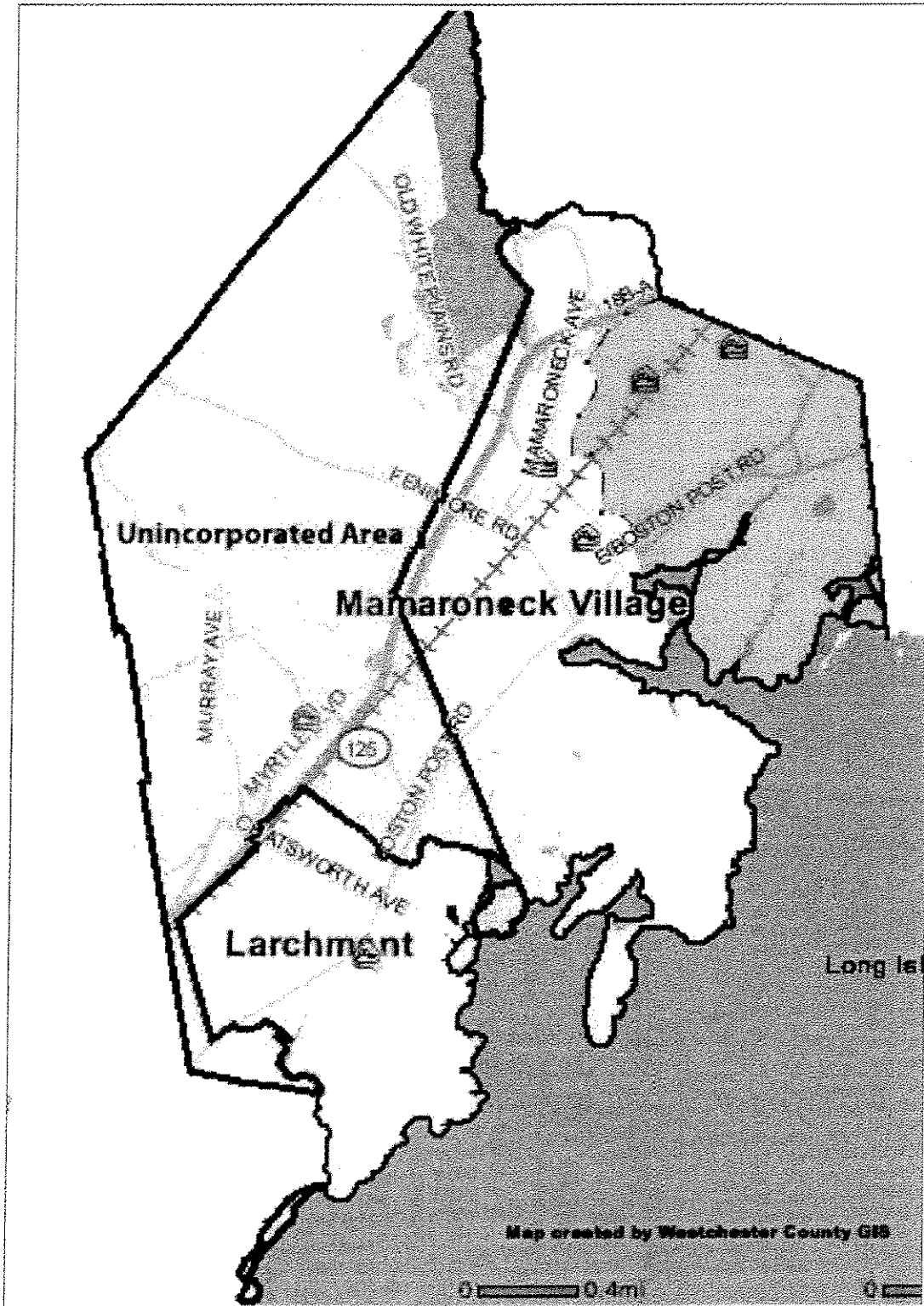
In 2007 and 2008, Ned Benton, a former Larchmont village trustee and volunteer firefighter, wrote a detailed paper advocating merging the Larchmont department into the Town's department. He argued that Larchmont's expenses for its department in proportion to its assessed property valuations were higher than the Town's; that Larchmont taxpayers would achieve substantial cost savings if the Larchmont fire house was largely or fully abandoned; that Larchmont had too few volunteers to fight fires since many had left the department to go to the Town in protest after the VOL hired a career fire chief in 2007; and that a single department could eliminate duplicative fire apparatus.

Larchmont's fire station is centrally located in the village's roughly one square mile area (see map on following page). Accordingly, LFD fire apparatus can more quickly reach the great majority of Larchmont residential or commercial properties than can those from TMFD. Abandonment or substantial reduction of LFD firehouse capability would result in a significant degradation of fire protection service provided to the residents of Larchmont.

Furthermore, important developments have occurred since his analysis. Close relationships have been established between the two departments as "mutual aid" partners, thanks to initiatives from the VOL and the responsiveness of the Town's excellent volunteer fire chiefs. Joint training exercises have occurred with the personnel of both departments, and a recent fire in Larchmont evidenced how well this cooperation is working. In addition, new volunteers have joined LFD, while its career firefighter headcount has been reduced. The implementation of recommendations in this report would bring these departments even closer together.

Mr. Benton also pointed to the slice of the TOM that lies to southwest of Larchmont known as the "Dillon Road area." He argued that these residents received a lower quality of fire protection than possible, given that the TMFD responds from the Weaver Street firehouse, passing by the LFD firehouse more than one mile on route to the scene. We believe recent developments reported above and adoption of proposals in our report would correct that weakness, as well as meet the needs of the community at large.

Firehouse Locations within the Tri-Municipal Area



RECOMMENDATION 3: CONSOLIDATING LARCHMONT AND MAMARONECK
TOWN PARKING PERMIT ISSUANCE

The role of the Clerk's Office varies somewhat between New York villages and towns, but that office entails many of the same duties and responsibilities. These include, but are not limited to, custody of official contracts and records, preparing for and following up governing board meetings, disseminating information to the public, preparing for and conducting local elections, executing legally required advertising, and acting as the "public face" of the municipality for inquiries from the general public.

The Clerk's Offices also issue parking permits. Since the TOM and VOL both own parking lots near the Larchmont train station, this recommendation concerns only them and not the VOM.

The VOL Clerk is staffed with two employees whose combined base pay totals \$121,253 (Clerk at \$75,963 and Deputy Clerk at \$45,290). The TOM Clerk's Office is staffed with three full-time and one part-time employee whose combined base pay totals \$194,480 (Clerk at \$82,000, two Deputy Clerks at \$52,990 each, and part-time clerk compensation at \$6,500). The relative staffing and budget of the two offices is roughly proportional to the population and tax base of their municipalities.

We believe the duties of the Clerk's Office are a necessary part of the daily operation of a municipality and that the dissolution or merger of the Clerk's Office is infeasible in any scenario short of a full municipal merger.

The sale and administration of parking permits is one of the other tasks performed by the Clerk's Office in both the VOL and TOM. Currently, the Town and Village Clerks handle the sale of permits for only those parking lots which reside within their municipality. This role injects volatility into the workload of both offices. Each year, peak workloads occur when new permits are offered, though their peak periods occur at different times. The Town's peak period is in and around April and the Village's around November.

We recommend that the sale and administration of permits be discontinued in the VOL Clerk's Office and that responsibility for these tasks be transferred to the TOM Clerk's Office. This will offer residents from both communities a complete view of the menu of parking options. Moreover, many residents from the unincorporated area of the Town come to the VOL Clerk to purchase permits after having mistakenly attempted to make their purchase at the Town Center. This is due to some confusion regarding municipal boundaries and the identity of the municipality that owns the lot. Over time, the ability to observe purchase preferences across all parking facilities also should help both municipalities set relative permit prices that are tuned to market supply and demand.

In terms of revenue distribution, the Town Clerk should follow the model that is currently in place. While the Town Clerk is employed by the overall Town and that

office is funded by the town-wide budget, the revenues derived from permit sales for lots within the unincorporated area of the TOM are set aside and transferred to the budget of that part of the Town. No parking fees are withheld from the sale of permits for lots within the unincorporated area to account for associated labor costs in the TOM Clerk's Office. We assume the same approach would be followed by the Town when selling permits for lots within the VOL. That means parking fees from these lots would be set aside and transferred to the VOL, and any additional costs in the TOM Clerk's office would be reflected in annual Town taxes. The slightly reduced workload in the VOL Clerk's office should be evaluated in future staffing plans.

RECOMMENDATION 4: TRI-MUNICIPAL MERGER OF AND PRIVATIZATION IN TOWN ASSESSOR'S OFFICE

The assessor is primarily responsible for estimating the value of real property within a municipality. The assessor also performs other administrative functions such as inspecting new construction and major improvements to existing properties since they impact the value of the property and must be reflected in the assessment. Legally, the assessor must be present at all public hearings of the Board of Assessment Review. The assessor reviews every transfer of real property for accuracy, including the basic information relating to the seller, buyer, and sale price. The assessor also keeps track of property tax exemptions, including senior citizen, STAR, and veterans exemptions. New York State law requires that the assessor maintain assessments at a uniform percentage of market value each year.

Types of Properties Assessed

The two types of real property most commonly assessed in this region of the country are residential and commercial.

Residential property is typically assessed using a method called the *market approach*. In this approach, the property is compared to similar properties that have sold recently, using only those sales where both the buyer and seller acted without duress, coercion or undue pressure.

Commercial property is typically assessed using a method called the *income approach*. In this approach, the assessor attempts to analyze how much income a property would produce if rented. Operating expenses, maintenance, insurance and financing costs are compared against expected income.

Frequently, the assessor in a particular municipality possesses a higher level of expertise in residential valuations over commercial valuations, or vice versa. Outside appraisers or part-time consultants often are employed, as the TOM does, to assist in making some of the less-familiar determinations.

Assessor Office Staffing and Operations

The TOM Assessor is legally responsible for maintaining assessed valuations for properties within the Town. Since the VOM and VOL reside within the boundaries of the Town, the TOM Assessor is responsible for maintaining assessed valuations for every piece of real property within all three municipalities, except for that portion of the VOM that lies within Rye Town, for which Rye Town has responsibility. The TOM Assessor's Office is staffed with four full-time employees earning base salaries totaling \$267,535: The Assessor (\$95,755), a Real Property Appraiser (\$70,020), two Assessment Clerks

(\$52,990 and \$48,770), and part time help. The VOL closed its Assessor's Office some years ago, and began relying on the Town's Assessor.

While Rye Town assesses property of the VOM lying within its borders, VOM maintains its Assessor's function at an annual cost of \$99,000 because the towns apply different rates to assessed property. Rye Town's rate is based on full valuation. To avoid charging taxpayers at different rates depending upon what town their property is in, VOM applies a uniform rate on all properties within its borders.

VOM could not give up its assessor responsibility, as Larchmont did earlier, and rely on the assessments of Mamaroneck and Rye towns regarding property in both towns because these towns assess properties at different rates and state law does not permit VOM to do that.

Proposal

Fortunately, the TOM is moving toward assessing based on full valuation, as does Rye Town. If and when that occurs, we propose that the VOM enter into an agreement with the TOM and VOL to share in the TOM Assessor's Office. We also propose that a portion of the work performed by the TOM Assessor's Office be performed by a qualified private firm or individuals in this line of business, assessing properties in all municipalities. Other municipalities already have moved to achieve full-market-value assessments within a global revaluation effort. Many of them, with assistance from the State Office of Real Property Services (ORPS), employ private-sector firms during this process.

Outsourcing should reduce assessor costs to all three municipalities, particularly the VOM. All would benefit, however, since part of the cost of providing this service would be shifted from unionized employees to private sector, non-unionized persons.

The costs of the TOM Assessor's Office, including those of private sector assessors, would be shared among the three municipalities through Town taxes based on relative assessed valuations or other objective criteria. If the private assessor's billing to the Town was broken down by estimates of work expended in relation to the unincorporated area of the Town and Larchmont and Mamaroneck Villages, that would be a better criterion for allocating Office costs to the three municipalities.

RECOMMENDATION 5: TRI-MUNICIPAL JOINT RECREATION COMMITTEE

The recreational resources of the Town of Mamaroneck and the Villages of Mamaroneck and Larchmont and their excellent recreational programs, with the heavy use of volunteers, offers opportunities for cooperation which would not reduce costs but could reach more eligible residents and offer a larger menu of program options to residents.

The TOM Recreation Department offers programs and services to residents of all three municipalities including use of the Hommocks Park Ice Rink, Hommocks Outdoor Swimming Pool Complex, Memorial (Myrtle) Park, and the Carpino-Steffens Fields. During the summer, a variety of day camp programs is offered for children of different ages and interests. User fees substantially offset the Department's extensive staffing costs.

The VOM Recreation Department offers programs for all ages, most of which take place in the Beach Pavilion at the 44-acre Harbor Island Park. Staffing costs here also are partially offset by user fees, with residents outside the village paying more than village residents for the same program. Some of these programs are capable of accommodating more paying participants from outside the village who would offset program expenses.

The VOL Recreation Department offers a variety of short programs during the year that are free or charge a nominal fee to cover costs. The main location for recreational activity is the 27-acre Flint Park, which is used throughout the year. The summer day camp for children, limited to 220 campers and typically with a wait list, takes place there. A notable factor limiting the park's use is a deed restriction stating "no activities of a commercial nature are permitted ... including, but not limited to, the sale of any goods and the charging of a fee for attendance at any gathering in the Park."

The community makes extensive use of the various programs offered by the three municipalities, and there have been considerable efforts by them and the Mamaroneck School District to share and coordinate the use of the available recreation facilities. However, there appear to be opportunities for better/coordination/management of certain facilities to ensure their use is maximized, they are kept well maintained, and opportunities for enhancing revenue to recover fixed costs are fully explored. Some examples of these opportunities include:

- The Central School tennis courts: the TOM uses them extensively for lessons and tennis camps, but they are owned by the school district and currently are in serious disrepair. Perhaps the Town should repair and lease or buy them from the district.
- The Hommocks pool: it is owned and used by the school district, but the TOM also makes extensive use of it for open swim time, lessons, and camp programs. The agreement between the district and the TOM

governing pool use/maintenance is dated and could be improved to the benefit of both.

- School gyms: there has been considerable coordination between the district, the municipalities, and the various sports leagues concerning use of the gyms. However, there appears to be room for greater use of the various gyms, particularly during the summer months.

Proposal

Our recommendations follow:

1. A tri-municipal recreation committee should be established, including the heads of the three municipal recreation departments and one member of each municipality's governing board. The committee should invite a representative of the school district to join it and meet at least quarterly. Initially, the committee should insure that information on recreational programs open to all residents on some basis is presented in a consolidated fashion to them in advance. It also should explore how existing revenue streams to the municipalities and/or the school district might be enhanced where facilities are not fully utilized. This committee also should explore how a wider menu of summer program options might be offered to residents beginning in 2011 through coordinated program decisions by the three municipalities. Such coordination might evolve into a joint comprehensive summer day program by the municipalities. The mandate of this committee concerns programming, not the scheduling of events.

2. This committee should explore with the school districts in Mamaroneck and Rye Neck how school facilities might be used for non-school purposes when they are not in use, such as summer rain date facilities available for a fee or the rental of school playing fields. The committee also should explore changing the current lease between the Town and the school district so that the management of the Hommocks Pool shifts to the Town, as it has with the Ice Rink, resulting in cost savings to the school district.

RECOMMENDATION 6: TRI-MUNICIPAL JOINT INFORMATION
TECHNOLOGY COMMITTEE

Though systems have often been implemented on a piecemeal basis, today's municipal government relies daily on electronic means to publish legal documents, record fees, comply with regulations, and distribute reports. Ensuring the good maintenance of these systems and evaluating which among the stream of new offerings could bring cost-saving improvements require continuing attention.

We did not have the capability to analyze the information technology (IT) strengths and weakness of the three municipalities and doubt that the cost of an expert assessment would be useful at this time.

Proposal

Instead we recommend the creation of a Joint Information Technology Committee consisting of one member of each municipality's governing board and one member from each of the three communities, chosen by each governing board for their IT expertise. The resulting committee should be asked to add several persons with particular IT skills that supplement the range of IT expertise possessed by other committee members. The aim of this process is to achieve committee membership with a broad range of skills including systems integration, document retention, data backup, data archiving, disaster recovery, and understanding of communication networks and protocols.

The purpose of this committee is to advise the governing boards on proposed system improvements and acquisitions in their municipalities' IT infrastructure to meet service requirements and reduce manual intervention. Their presence should help avoid solutions that are not cohesive across municipal departments. Their recommendations also should consider possible synergies among the three municipalities' requirements for their systems and potential inter-operability across municipal boundaries.

We have suggested that one member of each municipal governing board be a member of the committee to encourage board awareness of IT's potential to assist them and reduce people costs. Adding members at large gives the committee the opportunity to draw on the expertise of talented IT professionals as volunteers living in our communities. After familiarizing themselves with existing systems, the full committee might meet on call and make an annual report to each board. The result should be that the IT capabilities of each municipality will be better understood, improved, and ready for analysis by an expert consultancy if and when that is desired.

RECOMMENDATION 7: ACHIEVING GREATER COST CONSCIOUSNESS

A major purpose of inter-municipal sharing/consolidation is to reduce costs to taxpayers. What we have reviewed discloses other ways to reduce costs. We suggest the following measures to all three municipalities:

1. More critically consider not filling vacancies when retirements occur. While we have used base salary figures for various positions in this report, the payroll-added cost for such positions is anywhere from 44% to 50% more than the base salary figure, depending on factors such as the amount of salary, pension contributions, and length of service. That means the full cost for an employee with a base salary of \$47,000 is actually almost \$73,000 and for an employee with a salary of \$96,000, the total is about \$138,000. Because annual budgets provide funding for a given number of positions in a department at base salaries, a tendency exists to see replacing a departing person as costless. In reality, a single employee can make a significant cost difference.

2. Continue the trend of increasing the extent and amount of employee contributions to their medical coverage. Most, but not all, members of public employee unions in our municipalities now make a contribution for some years of their employment, but only Larchmont Library employees make contributions during each year of their employment.

3. In negotiating future public employee union contracts, look harder for ways to reduce work rules that restrict management's ability to fill in occasional staffing gaps with other personnel, to gain efficiency and reduce the amounts paid in overtime.

4. More actively consider short-term borrowing or sharing of another municipality's specialist or specialized equipment and paying "rent" for that service.

5. Consider other municipalities work plans where appropriate. For example, when planning to repave a road at municipal borders, inquire whether the adjoining municipality would consider joining in a bid that might make asphalt purchase cheaper.

CONCLUSION

If our recommendations could be implemented now, we believe the three municipalities could save taxpayers up to \$1 million annually.

We respectfully submit this report to Supervisor O’Keeffe, Mayor Feld, and Mayor Rosenblum for their review and distribution to their respective Council and Board members. We would be pleased to discuss it with them at their pleasure. During this process, the report will become a matter of public record. To reduce misunderstanding of a complex report and facilitate public understanding of its recommendations, we will make it available on a web site at www.trimunireport2010.org.

STUDY GROUP MEMBERS

William T. Dentzer Jr., former chair of the Larchmont Public Library Board, is the retired founding Chairman and CEO of The Depository Trust Company (DTC), now the basis of The Depository Trust & Clearing Corporation. He was N.Y. State Superintendent of Banks, appointed by Governor Nelson Rockefeller, after coming from Washington, D.C. to New York in 1969 as Executive Director of the N.Y. State Council of Economic Advisors. His previous experience with temporary commissions was as Executive Secretary of a commission on foreign economic and military assistance appointed by President John Kennedy and chaired by retired general Lucius Clay. Also, he later served as Chair of a Temporary State Commission on Judicial Compensation appointed by Governor Hugh Carey.

Nicholas Allison was a Trustee in the Village of Mamaroneck from June, 2009 until December, serving as liaison to the fire department and flood committee. He, his wife, and three children have lived in the Rye Neck section of the village since 2006. He was graduated from St. John's University, did graduate work at Pace University, and is in the data processing department of the Depository Trust & Clearing Corporation in New York City. His interest in municipal government was stimulated by his extended family including his grandfather, a New York City bus driver and his father, a uniformed firefighter in the Town of Eastchester.

David J. Fishman has been an elected Councilman for the Town of Mamaroneck since 2007, and he and his wife and three children have been Town residents since 1993. His Council duties include chairing the Larchmont Mamaroneck Cable TV Board of Control and liaison to the Town Zoning Board of Appeals and the Housing Authority. He is the immediate past president of the Larchmont Mamaroneck Little League. Fishman currently owns and operates Downshift Media, a media-centric consulting agency and production company based in New York City and Larchmont whose clients and partners have included TV Guide Magazine, Discovery, ESPN, and Microsoft. He was owner and publisher/editor of Fathoms magazine until selling it in 2008. Prior to that he held various management and editing positions with Hachette Filipacchi Media, Conde Nast Publications, and Walt Disney Publishing. He earned a dual *magna cum laude* degree in advertising and psychology at the Newhouse School of Public Communications at Syracuse University and a Master of Journalism and Master of Science Writing with honors from New York University.

John M. Hofstetter is a Trustee in the Village of Mamaroneck, where he lives with his wife and three daughters. A life-long resident of the community, he was elected previously to the Mamaroneck Library Board of Directors, serving two terms there. He started his career at Random House developing custom publishing programs. Thereafter, he managed author events and book tours for Simon & Schuster and Farrar, Straus & Giroux. He later directed publisher relationships with booksellers and wholesalers such as Barnes & Noble, Borders, Ingram, and Baker & Taylor with a focus on sales, marketing analysis, and account management. Since 2006 he has been a full time Realtor with Coldwell Banker in Larchmont.

Maureen Feerick LeBlanc resides in the unincorporated portion of the Town of Mamaroneck with her husband and four children. She has been a Trustee of the Larchmont Library since 2005, has Co-Chaired the Mamaroneck Schools Foundation's Junior Triathlon for the last three years, and has been actively involved in the Murray Avenue and Hommocks PTAs. Her professional career included 13 years in the Bank Supervision Group of the Federal Reserve Bank of New York.

Joshua Mandell is a Trustee in the Village of Larchmont, where he resides with his wife and three children. He is also Commissioner of the Larchmont Fire Department, where he continues to serve as a volunteer, state-certified interior firefighter. His professional career began at Salomon Brothers in 1990, as a quantitative analyst. Later, he made markets in fixed-income securities and eventually led the bond options trading desk at Salomon until 1997. Since that time, he has managed portfolios for institutions and wealthy individuals, initially at Caxton Associates and most recently at Rock Ridge Advisors.

Dr. Aran Ron is President of Health Strategies Consultants and an operating partner at Bessemer Venture Partners. He served as President and Chief Operating Officer of Group Health Incorporated (GHI) and Chief Medical Officer of EmblemHealth Plans. Prior to joining GHI in 1998 he served as Medical Director of Oxford Health Plans, Senior Vice President for Medical Affairs at New York Downtown Hospital, and director of quality programs at Beth Israel Medical Center in New York City. He received a medical degree from the University of Pennsylvania, holds a degree in business and public health from Columbia University, and trained in internal medicine at New York Hospital. He serves on the editorial board of the Journal of Clinical Outcomes Management, is Chair of the Utilization Review Accreditation Committee, is on the board of GHI, lectures at Cornell Medical College, and is Chairman of the Board of St. Christopher's Inc., a non-profit agency providing educational services for troubled youth.

Christopher Verni is a thirteen-year resident of Larchmont where he resides with his wife and three children. Chris is a former Trustee and Deputy Mayor of the Larchmont Village Board of Trustees and currently serves on the Village Planning Commission. Locally, he co-chaired the Flint Park Playground Group, a public-private partnership spearheading the reconstruction of a major playground in the village's largest park, and served on the Mayor's Business District Task Force. Chris previously was on the Board of Directors of the Westchester Children's Museum where he chaired the Museum Building and Exhibit Committee. Professionally, he is a Principal of Verco Properties, a real estate firm that invests, develops, and manages mixed-use, multi-family, renovation, and development projects in the metropolitan area. He earlier held positions in the fields of advertising and public relations.