

Executive Summary

This study by the Greater Oneonta Task Force represents an in-depth examination of the possibilities for greater intermunicipal cooperation between the City and Town of Oneonta. The Task Force conducted its study from January 1995 to September 1996 with research assistance from the Center for Economic & Community Development at SUNY College at Oneonta.

The primary scope of the study was to address two questions:

- 1. Can the City and Town of Oneonta, in the near future, successfully provide the same level of service at a reduced cost to each community by achieving economies of scale (sharing the cost among more users and/or taxpayers, thereby lowering the costs to citizens) and eliminating overlapping services? and;**
- 2. Can additional services be provided to both communities based on economies of scale that they cannot individually provide based on current finances?**

The Task Force weighed these questions by examining general administration, public works, public safety, parks, recreation and library services, public transportation, economic development, and taxation and fees. For each of these areas, the Task Force considered revenues, expenditures, service delivery, operational ratios, and information provided by City and Town officials in non-elected, supervisory positions. The budgetary analysis covered 1993-1995.

Task Force Findings

- I. The City and the Town, although unequal in size from a budgetary standpoint, provide similar functions and services and do so in a fiscally prudent manner. The Task Force was impressed by the extent of professionalism, commitment to public service and technical proficiency of public employees of both municipalities.*
- II. While communication between both municipalities is good, only a modest degree of intermunicipal cooperation at the operational level is occurring.*
- III. In the areas of general administration and parks and recreation, there is very little intermunicipal cooperation. In general, the cooperation that presently exists is in terms of casual communication between officials.*
- IV. Considering municipal operations, there is a need to direct more attention to the attainment of operational efficiencies and the cost-effective delivery of services.*
- V. There exists a significant duplication of services and/or personnel with regard to the functional areas of general administration, public works and public safety.*

VI. *Finally, the Task Force examined future revenue sources available to both the City and Town. Both municipalities have experienced declines in state and federal aid, while relying increasingly on sales tax revenues and own-source revenues (e.g. user fees). Interestingly, property taxes, as a proportion of total revenues for the City have remained the same since 1990 and have declined in the Town since 1992. The importance of the sales tax is significant since it has been the only revenue source that has increased. At present, the sales tax constitutes 19 percent of the total City revenue base, while it constitutes 25 percent of the Town revenue base.*

Conclusions & Recommendations

Looking to the future, competition between municipalities for thoughtful economic growth, which provides jobs and enhances the quality of life for all, will only increase. In communities that have pulled together and presented a united front to their existing constituencies, the residential population will expand and businesses will succeed. Those that don't will eventually fail.

It is incumbent upon the City and the Town of Oneonta to act as a cohesive unit, sharing the costs and the benefits that will be derived from the movement toward one governmental unit. The economies-of-scale argument cannot be denied. Federal and state regulations continue to push the cost of providing services higher and, unless those costs can be spread over more taxing units, will inevitably mean a decline in employers and the jobs they provide. **The costs and benefits of operating a viable community must be shared by all.**

The Task Force analyzed the opportunities that exist for the City and Town to benefit jointly from sales-tax revenues under the terms of preemption (preemption is the right of cities and counties, and only cities and counties, to claim a portion of the sales-tax revenues within their jurisdiction). If preemption were exercised, it is likely that the City and Town could acquire net additional revenues of approximately \$2 million annually. **These revenues could be used to significantly reduce property taxes.** Under state law, preemption can only be exercised by a city, so it would be necessary for the City and Town to consolidate and create one municipality. *Given the promise that the preemption option offers, the Task Force recommends that a nine-member joint commission be formed to study the possibility of consolidation. Two members of this joint commission must be the Mayor of Oneonta and the Supervisor of the Town of Oneonta.*

In these functional areas, the Task Force offers a series of recommendations for a phased-in consolidation of services. **The Task Force considers parks, recreation and library services, and economic development as services critical to the future quality of life in the Greater Oneonta area. As such, the recommendations in these areas focus on increased planning and formal cooperation. With respect to parks and recreation services, the Task Force believes that the facilities that support these services (e.g. playing fields) require a joint financial investment by the City and Town. In the area of economic development, a more promising economic future could emerge were the City and Town to develop joint economic plans and strategies.**

The Task Force considered if additional services could be provided to both municipalities through economies of scale. In this regard, **a number of service enhancements were identified. In the area of public safety, the Task Force determined that a consolidated police protection district and fire protection district would improve public safety coverage, professional training of personnel and response time.**

The Greater Oneonta Task Force encourages **the public to examine the findings of this study, and above all, consider and act on them with respect to the future.** The City and Town of Oneonta both have a rich history characterized by dramatic change. What once was a busy railroad town has become a vibrant center for educational and medical services. As this century comes to a close, the Oneonta area will likely see further change, and our governments must be well prepared to govern effectively and efficiently.