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The Town of DeRuyter enters 2018 in strong financial shape. This strong fiscal condition is driven by a record-year in sales tax with revenues exceeding budget by approximately \$47,000.00 and through receiving approximately \$21,000.00 host community benefit from Madison County resulting from casino operations in the Town of Sullivan. We are extremely appreciative to Assemblyman Magee for his support of a \$200,000.00 grant to help us purchase a new plow truck and to Senator Valesky for his support of a \$100,000.00 grant used to address storm water drainage at Camp Crone Road.

The Town of DeRuyter remains amongst the lowest property tax communities in Madison County and also in our surrounding region with a property tax rate of \$1.60 per thousand (see Chart A below).

TOWN	COUNTY TAX	TOWN TAX	SCHOOL TAX	FIRE TAX	LIBRARY, REC	TOTAL TAX RATE	EQUALIZATION RATE	COST/\$100,000 (EQUALIZED)
LAFAYETTE	\$5.65	\$5.87	\$19.83	\$1.61	\$0.00	\$32.96	93%	\$3,065
DERUYTER	\$10.27	\$1.60	\$20.68	\$1.33	\$0.32	\$34.20	90%	\$3,078
CININNATUS	\$17.33	\$2.07	\$19.73	\$1.98	\$0.00	\$41.17	87%	\$3,581
DEWITT	\$5.32	\$4.54	\$23.24	\$2.70	\$0.85	\$36.56	100%	\$3,656
HOMER	\$15.12	\$1.31	\$19.69	\$0.43	\$0.13	\$36.68	100%	\$3,668
MANLIUS	\$5.20	\$4.88	\$25.62	\$1.73	\$1.33	\$38.76	100%	\$3,876
FABIUS	\$5.27	\$6.99	\$26.13	\$1.98	\$0.00	\$40.37	99%	\$3,996
CUYLER	\$13.34	\$6.85	\$18.61	\$1.31	\$0.28	\$40.39	100%	\$4,039
LINCKLEAN	\$20.72	\$18.77	\$33.35	\$1.11	\$0.51	\$74.46	55.8%	\$4,154

Chart A: 2017/2018 Property Taxes

In fact, when comparing all taxes for a \$100,000.00 home, including town, county, school, fire, and library taxes, DeRuyter taxes are only \$13.00 more than LaFayette and approximately \$500.00 to \$1,100.00 less than Cincinnatus, DeWitt, Homer, Manlius, Fabius, Cuyler, and Lincklean. Property taxes are not insignificant here in New York State; however, DeRuyter compares nicely to many of our neighbors – maintaining a stable property tax is a

priority for our Town Board. Chart B (below) illustrates the Town tax rate over the past twelve years. The reduction in 2008 represents a re-valuation and the reduction in 2014 represents a change in sales tax revenue accounting that resulted in an equal increase in the County tax rate. Disregarding these two anomalies, it is clear that our property tax rates have remained consistent.

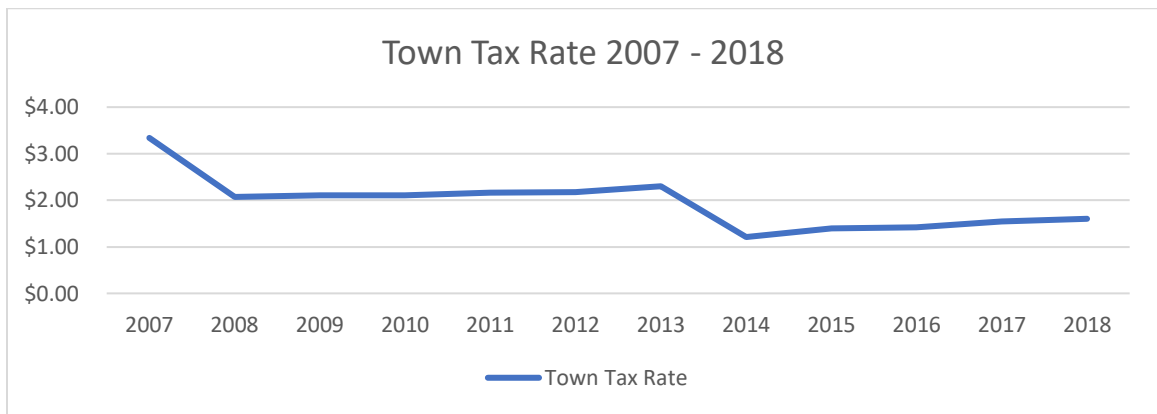


Chart B: Town Tax Rate

The Town of DeRuyter’s stable property tax and strong financial positioning are the result of both foresight and good fiscal management by a Town Board who are dedicated to running an efficient town government.

New York State Governor, Andrew Cuomo, regularly speaks to New Yorkers concerning the high property taxes that they face and the fact that local government inefficiencies, in his opinion, are to blame. It is true that high property taxes are a product of poor management of local government in many cases – the Governor is correct and the facts cannot be disputed.

Last year the New York State Legislature approved in the State Budget a provision that requires local government leaders to come together under the leadership of their perspective counties to brainstorm new and meaningful shared service opportunities aimed at reducing the

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property tax levy. On face-value, this provision was a great idea, after all, who could possibly argue that it is a bad thing for local governments to work together as they discover means and methods of saving costs? I am certainly not one who will argue this point; however, the directive illustrates the state government's utter failure in understanding the primary mission of local government.

Recognizing that this is a somewhat harsh claim concerning the state's understanding of our local governments, I will elaborate. Shared services are not a new concept for our community – we didn't hear this idea come down from Albany and have a "Eureka" moment. Working with our neighbors through shared services is the way we have operated for generations here in DeRuyter and, quite frankly, the provision in last year's state budget mandating that we come up with some new plan is an insult to our town, village, and school boards both past and present. We participated with the county-led discussion to look for new shared service opportunities not because we were mandated to by New York State, but because we have always done so and will always continue to.

Although the story of shared services in our school district began nearly 100 years ago as country schools consolidated into a centralized school, the story for the Town of DeRuyter begins in 1954 as the town acquired a newly vacated school building to serve as a town hall. The Town Board at the time made known their intention of creating a community center – a facility available for community groups to use without rent. In its early years, this town hall became the home to the DeRuyter Free Library and was subsequently joined by DeRuyter Community Services, our local food pantry organization.

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Over the years this facility aged and deteriorated prompting debate as to its future and, eventually, a community-wide effort to raise funds for renovations. In fact, I attended a seminar on shared service grants nearly ten years ago in an effort to acquire state assistance in our endeavor. Unfortunately, our project was deemed ineligible by New York State because it didn't include new shared services. Despite our failure to generate state funding at that time, the community raised the funds through generous private benefactors and completely renovated our facility.

Almost 60 years after its acquisition, we held the grand opening of the Genevieve D. Staley Civic Center. The Civic Center is home to the Town of DeRuyter Offices, the DeRuyter Free Library, the DeRuyter Community Services, and a field office of the Madison County Sheriff. In the spirit of the 1954 Town Board, not one of these agencies pay any rent beyond a shared utility and cleaning agreement. This results in the ability of our library to operate with an annual property tax - funded budget of approximately only \$38,000, a food pantry and clothing closet that can put all of its resources into assisting those in need and a base of operations for sheriff deputies who would otherwise be nearly twenty miles from an office while on patrol in our community. This beautiful facility serves as a true community center and is a prime example of how our community embraces shared services.

The winter maintenance of snow and ice from the roadways in upstate New York is a major expense for all local governments. The same is true for us in DeRuyter; however, we approach the issue with shared services in mind. Being located in the corner of our county, which is also the corner of our New York State DOT region, the roadways in our community are not convenient or efficient for Madison County or NYS DOT to maintain. The Town of DeRuyter

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has an annual contract with Madison County to provide winter maintenance on all county and nearly all state roadways within our town. Our trucks and labor force must travel these roads to maintain the town roadways so it only makes sense for us to maintain the roadways owned by our partners in county and state government. This effort does not save our town property tax payers any money but it does provide cost saving efficiencies for both the county and the state.

New York State Law provides the ability for towns to charge villages for winter maintenance of the village roadways. This has never been something that our community felt to be fair or necessary. The town's winter expenses and equipment purchases are funded with a budget that pulls revenue from the entire town, including properties within the village. Charging the village for winter maintenance results in those property owners essentially paying twice. The Town of DeRuyter provides, at no additional cost to the Village of DeRuyter, winter maintenance on the village streets. This saves the village the cost from either a contract with the town or the need for their own equipment and labor force. Again, not a cost saving endeavor for the Town, but something that provides another government with significant cost savings.

The Town and Village of DeRuyter have a shared service relationship that is fairly unique. In fact, when we spoke with the New York State Comptroller's Office about the proper budgeting methods, we were told that they have never seen this done in any other town. The Village of DeRuyter contracts with the Town of DeRuyter Highway Department for the maintenance and repair of all village streets, sidewalks, and parks. Although the village still pays for materials and equipment rental costs, the contract, which is less than \$30,000 per year covers all labor associated with these services. The village no longer needs to have people on its payroll or purchase trucks and heavy equipment to provide these services. This shared service endeavor

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has resulted in a modest revenue stream for the town highway department and significant cost savings for the village.

The town/village arrangement has opened the door to a three-way shared service which includes DeRuyter Central School. Similar to the now-mandated meeting of local leaders, town, village and school officials here in DeRuyter regularly meet to discuss shared service opportunities. At one such meeting, the concept of efficiency of scale was considered. Lawn maintenance at the village park requires significant labor – the school owns large mowers used to mow their athletic fields. In the winter, the school applies rock salt, purchased by the bag, to their parking lots with a small spreader – the town owns large-scale salt spreaders and purchases rock salt by the ton. The school now mows much of the grass at the village’s park thereby saving the town (and village by way of their contract with the town) significant labor costs. In return, the town assists the school with salting their parking lot thereby saving the school significant costs.

Our local leaders meet regularly with the primary charge of discussing emergency management and how the various municipalities can come together. The school is our community’s red cross shelter and owns busses which are necessary in our emergency evacuation plan. The town hall is a large facility with emergency generation and redundant communications capabilities which is available to the school for communications during emergency situations – the school superintendent has a key to the town supervisor’s office in the event that this is ever needed. Through our shared service focus, our community is prepared to handle emergency situations without needlessly duplicating costs

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The Town of DeRuyter is constantly looking for opportunities to work with our neighboring towns. Our highway department works closely with many of the neighboring departments in sharing equipment and labor necessary for each municipality to efficiently complete its road construction projects. This often includes sending a truck and driver to another town during a paving project and the favor is reciprocated during our projects. This cooperation ensures that there is not a delay in delivering materials to the construction site.

The Town of DeRuyter doesn't end its focus on shared service with snow plowing and lawn mowing, we also look to other efficiencies of scale through working with Madison County. When Madison County upgraded their phone systems to a Voice Over Internet Protocol system, the Town of DeRuyter also purchased phones for our offices through the county contract. Using a direct internet tunnel to the county, the town's phones are on the county's network allowing the town to eliminate many of its "copper" phone lines. The town has a state-of-the-art phone system while reducing annual costs by the thousands of dollars. Being connected to the county through a direct internet tunnel has also allowed the town's computer network to be monitored and protected by the county's information technology department making our systems significantly more-secure and saving the town costs in information technology support.

The Town of DeRuyter participates in many other cost-saving initiatives. The worker's compensation plan is purchased through a consortium including Madison County and other municipalities. We participate in a consortium for pre-employment and random drug screenings. The town, village, school district, and fire department utilize shared fueling stations for our equipment, trucks and/or busses. The town and village courts consolidated to become one town-

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wide court. The town utilizes the Madison County printing department for envelopes and stationary. The list goes on and on.

Ironically, it is the laws of New York State itself that has held our community back from going further with shared services. For example, town courts in many rural towns do not self-sustain. The DeRuyter Town Court operates in a deficit of nearly \$10,000 even with minimal costs. We have two town justices with salaries less than \$6,000 each and have no court clerk or security costs. New York State needs to allow rural upstate towns to regionalize court operations into district courts and, given DeRuyter's geographical location, the availability to create a district court that transcends county borders would be important and helpful.

It is often said that governments need to operate like a business – this is simply not true. How often do we see business's sharing services? Wal-Mart doesn't ship products for Target on their delivery trucks even if their stores are on the same block. The reason governments should not operate as a business is because their primary mission is inherently different. A business exists for profit – to make as much money as possible for its shareholders while preventing their competitors from doing the same. A government, on the other hand, exists for the purpose of providing necessary services to its shareholders. Yes, both government and business should operate as efficiently as possible; however, only government will do so by sharing abilities with other governments.

Local governments share services and constantly look for efficiencies because it is part of our mission: providing those services necessary to ensure the public's safety, education, infrastructure needs as well as services which enhance the public's well-being. The specific necessary services are decided locally by town, village and school boards, county legislatures,

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and city government and is the reason why our state fathers developed a system of home-rule authority. It's not truly about cost-saving as Governor Cuomo and the state legislature leads us to believe, it's about providing the best possible services as efficiently as possible.

The mandate placed on local government leaders in last year's budget was not necessary. We do not need to be forced to sit down with one another and discuss shared service possibilities as this is something that already happens on a regular basis. It happens because we are committed to providing the services that members of our communities find necessary and to do so in the most efficient way possible. We do not need orders to come down from New York State to dictate that we find efficiencies. The fact that this mandate exists is offensive to the many dedicated public servants who dedicate much of their time for the betterment of their communities. The Town of DeRuyter, along with many other local governments like it throughout New York State, has constantly demonstrated its efficiency and willingness to venture outside of the proverbial box in an effort to meet the primary mission.

As we draw nearer to the end of another decade in our Town's wonderful history, the DeRuyter Town Board will continue focus on maintaining a stable property tax through efficient service delivery to our constituency. We will always seek shared-service opportunities for our community, not for the purpose of complying with a state mandate or to even cut costs, but for the purpose of enhancing the efficiency of those services that our constituency finds to be important.