

Benchmarking New York

Counties, Cities, Towns and Villages

New York State residents pay some of the highest local taxes in the nation. Until now, however, New Yorkers have had no easy way to compare basic fiscal measures for the local governments that account for a large share of the taxes they pay.

To enable such comparisons, the **Empire Center for New York State Policy**, a project of the Manhattan Institute for Policy Research, and the **Public Policy Institute**, research affiliate of The Business Council of New York State, have calculated effective property tax rates and per-capita values for the spending, debt and tax levels of counties, cities, towns and villages throughout the state, excluding only New York City.¹

Government performance should be measured against standards set by competitors and peers. Spending, debt and taxes are all key indicators taxpayers care about.

Derived from statistics gathered annually by the Office of State Comptroller, the result is a database of measures that taxpayers can use as benchmarks for evaluating local governments. (The next report in this jointly produced series will add data for school districts.)

Businesses have long known the benefits of benchmarking – measuring performance against standards set by competitors and peers. Benchmarks in isolation may say little about the quality of management or public services in different communities. However, by spotlighting differences and trends, the benchmarks in this report provide a framework for evaluation. And they provide goals for improvement for governments that need to compete more effectively to attract jobs and promote economic growth.

Our statewide findings, displayed in Table 1 on page 4, provide high, low and average benchmarks for the major categories of spending, taxes and debt. We further broke down findings for small, medium and large jurisdictions. Just a few examples of what the data show:

- Among the five largest cities, Albany has the highest per-capita tax burden and Rochester leads in per capita spending, but Buffalo has the highest effective property tax rate.
- Saratoga County offers the best combination of low spending and low effective property tax rates among mid-sized county governments.
- Oyster Bay, in Nassau County, is both the highest spending and most heavily indebted large town, well above the average for its peers.
- Seasonal resort villages have sky-high spending patterns — topped by \$97,673 per person in the wealthy enclave of Saltaire, on Long Island's South Shore. Upstate villages spend comparatively low amounts but have high effective property tax rates.

To further empower taxpayers to dig beneath the summary numbers, we have created a searchable online version of a complete 2007 data, including “Level One” categorical breakdowns of spending, for all 1,604 counties, towns, cities and villages in the state.² The web-based version lets users rank and compare spending, tax and debt measures for one or more local governments.

It’s all (sometimes) relative

Considered on a statewide basis, the data reflect vast differences in the cost of living and in property values between upstate and downstate regions. Downstate communities have below-average effective property tax rates (but above-average per-capita taxes), while effective property tax rates tend to be highest upstate. Even allowing for such differences, however, grouping local governments by region and size reveals some significant differences among peers.

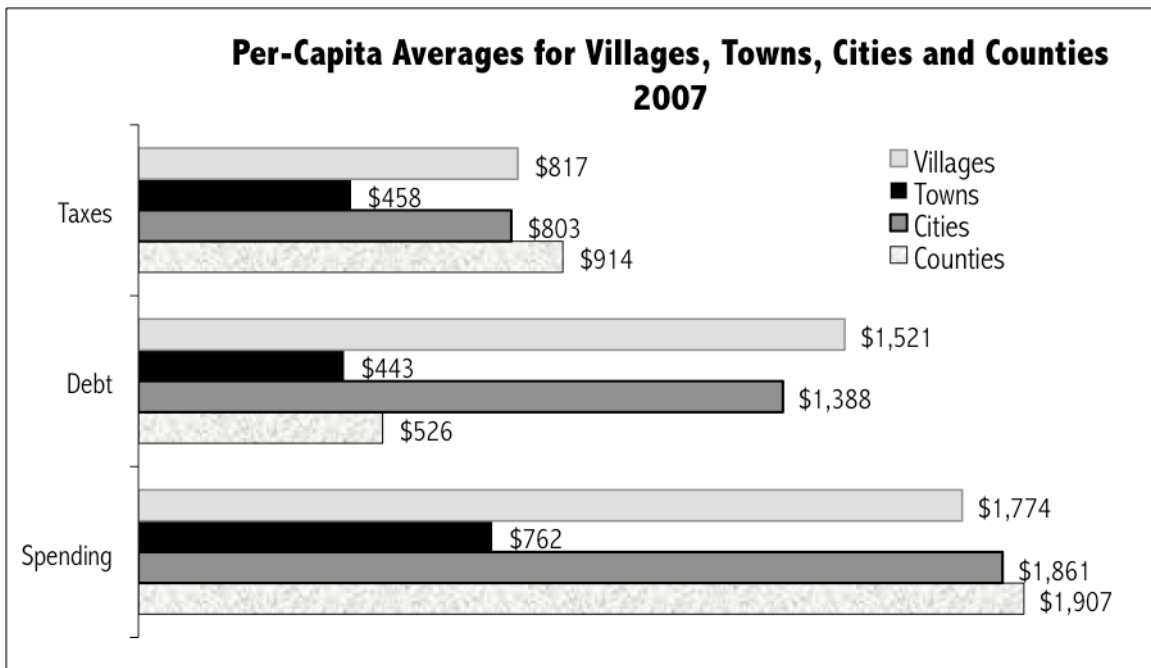
Why do some governments tax, spend or borrow so much more, or less, than their peers? By prompting such questions, benchmarking promotes a public dialogue about the forces driving costs for taxpayers.

For example, the city of Glens Falls spends 50 percent more than similarly sized city of Cohoes. The northern Westchester County town of Yorktown spends twice as much per-capita as the neighboring town of Cortlandt. In Central New York, Oswego spends 76 percent more per capita than the city of Cortland. The data offer possible answers for such disparities (among other things, Glens Falls spends more than most on transportation, Yorktown spends heavily on public safety and sanitation, and Oswego has relatively high debt service and sanitation costs). Local officials can undoubtedly add some explanations of their own.

The purpose here is not to stigmatize, but to raise questions—and to promote a more-informed public discussion of the forces driving high local taxes in every corner of New York.

The global recession and the collapse of New York’s financial sector has only intensified the urgent need to reduce taxes at every level of government. Last year, a gubernatorial commission chaired by former Lt. Gov. Stan Lundine suggested that regionalization and increased sharing of services are options that need to be more seriously explored by our local governments. More recently, Attorney General Andrew Cuomo has introduced legislation designed to modernize state Home Rule Law and clear the way for voter-initiated mergers and dissolutions of towns, villages and special districts.

Regionalization and consolidation are not a panacea for our problems.³ But this much is clear: It’s time to move past the talking stage. It’s time to start seriously scrutinizing our local governments’ bottom lines. It’s time to *demand* appropriate actions to reduce costs, improve efficiency and make our communities more affordable and competitive. Benchmarking fiscal outcomes is a necessary first step towards achieving these goals.



Source: Office of State Comptroller, further calculations by Public Policy Institute and Empire Center for New York State Policy

On a per-capita basis, as shown above, towns have the lowest tax, debt and spending levels among the four types of government. Villages have the most debt, while counties collect the most in total taxes per capita—which reflects their control of sales taxes.

Methodology

Local governments and school districts report their expenditure, tax and debt data in annual reports compiled by the Office of the State Comptroller (OSC), which in turn posts the data on the Internet.

To allow for more meaningful comparisons, the Empire Center and the Public Policy Institute recalculated the OSC data on taxes, debt and spending as per-capita values—i.e., relative to population. Property tax burdens were recalculated as effective rates, based on OSC estimates of assessed property values converted to full value based on equalization rates. Local governments also were organized into population size bands—small, medium and large—based on population. Finally, they were grouped by area and by economic development region.

A summary table of the results is on the following page. A searchable database of comparative tax and spending benchmarks for villages, towns, cities and counties has been posted at www.SeeThroughNY.net/OtherData/Benchmarks

The database allows users to generate a single benchmark report; a comparison of several local governments; or a ranking of local governments for different measures of taxes, debt and expenditures. Users can also download the complete spreadsheets used to generate the reports.

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Table 1. 2007 Local Government Benchmarks
All New York Regions

	Counties		Cities		Towns		Villages		
Large									
Per-Capita Spending									
High	Westchester	2,479	Rochester	2,141	Oyster Bay	1,280	Rockville Center	2,716	
Low	Erie	1,602	Buffalo	1,762	Islip	611	Lindenhurst	417	
Average		2,094		1,952		894		1,390	
Per-Capita Debt									
High	Nassau	2,623	Buffalo	2,834	Oyster Bay	1,409	Freeport	3,457	
Low	Erie	621	Albany	1,290	Smithtown	185	Lindenhurst	239	
Average		1,244		2,100		703		1054	
Per-Capita Taxes									
High	Nassau	1,550	Albany	1,131	Amherst	789	Garden City	1,989	
Low	Erie	965	Buffalo	679	Islip	307	Lindenhurst	176	
Average		1,229		869		489		764	
Property Tax Rate*									
High	Erie	0.51%	Buffalo	1.54%	Amherst	1.07%	Endicott	1.74%	
Low	Suffolk	0.18%	Yonkers	0.33%	North Hempstead	0.17%	Harrison	0.07%	
Average		0.35%		0.93%		0.35%		0.74%	
Medium									
Per-Capita Spending									
High	Onondaga	2,361	Long Beach	3,080	East Hampton	5,436	East Hampton	13,458	
Low	Saratoga	1,162	Gloversville	1,289	Rye	99	Woodbury	10	
Average		1,807		1,878		824		1,409	
Per-Capita Debt									
High	Rockland	1,342	Binghamton	2,852	East Hampton	6,865	Lake Placid	8,780	
Low	Oswego	54	Lackawanna	162	Mamakating	0.20	Brockport	7	
Average		521		1,352		582		1089	
Per-Capita Taxes									
High	Onondaga	1,077	White Plains	1,544	East Hampton	2,014	East Hampton	7,339	
Low	Saratoga	651	Amsterdam	491	Rye	39	Kaser	23	
Average		877		825		472		622	
Property Tax Rate*									
High	Niagara	0.91%	Gloversville	2.55%	Cheektowaga	1.39%	Herkimer	2.14%	
Low	Rockland	0.17%	Rye	0.27%	Rye	0.02%	North Hills	0.01%	
Average		0.58%		1.15%		0.40%		0.71%	
Small									
Per-Capita Spending									
High	Lewis	3,698	Salamanca	2,839	Newcomb	6,711	Saltaire	97,493	
Low	Putnam	1,368	Watervliet	1,309	Green Island	65	Brushton	106	
Average		1,941		1,750		749		2,544	
Per-Capita Debt									
High	Essex	1,163	Little Falls	2,000	Pulteney	4,955	Saltaire	113,023	
Low	Sschuyler	9	Rensselaer	546	Maryland	3	Barneveld	23	
Average		436		1205		404		2,659	
Per-Capita Taxes									
High	Hamilton	1,606	Rensselaer	956	Newcomb	6,293	West Hampton Dunes	55,697	
Low	Orleans	609	Salamanca	319	Green Island	28	Lodi	45	
Average		897		687		455		1,204	
Property Tax Rate*									
High	Montgomery	1.56%	Little Falls	1.82%	Alma	1.96%	Port Leyden	2.00%	
Low	Putnam	0.17%	Sherrill	0.64%	Florida	0.005%	Oneida Castle	0.05%	
Average		0.75%		1.18%		0.49%		0.61%	

¹ Because population breakdowns are not available for special districts, they also are excluded from this analysis.

² At www.SecThroughNY.net/OtherData/Benchmarks/tabid/98/Default.aspx

³ See, for example, Cox, Wendell *Government Efficiency: The Case for Local Control*. Albany, New York: The Association of Towns of the State of New York (2008).