

BENCHMARKING NEW YORK



Fall 2019

Counties, Cities, Towns and Villages

New York State residents pay some of the highest local taxes in the nation. To help New Yorkers compare some of the basic fiscal measures for local governments, the Empire Center for Public Policy has calculated effective property tax rates and per-capita values for the spending, debt and tax levels of counties, cities, towns, villages and school districts¹ throughout the state, excluding only New York City.

Derived from self-reported statistics gathered annually by the Office of the State Comptroller, the result is a database of measures that taxpayers can use as benchmarks for evaluating local governments.

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

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 the highest benchmarks for the major categories of spending, taxes and debt, excluding schools. We further break down the findings by region and by small, medium and large jurisdictions. Here are just a few examples of what the data show:

- Among the five largest cities outside New York City, Yonkers had the highest per-capita tax, per-capita spending and per-capita debt burden. However, Albany had the highest effective property tax rate.
- Broome County surpassed all mid-sized county governments in spending per-capita, while Saratoga County's low spending, taxes per-capita and effective property tax rate stood out in comparison.
- Oyster Bay, in Nassau County, had the highest spending, highest taxes and most debt among large towns. Its per-capita debt was more than triple the average of its peers.
- The five highest-spending villages were all located on Long Island, averaging \$78,405 per person. Upstate villages spend comparatively low amounts but have high effective property tax rates.

To further empower taxpayers to dig beneath the summary numbers, we continue to update our searchable online tool, which includes categorical breakdowns of spending for all 2,279 counties, towns, cities, villages and school districts. Benchmarking NY at SeeThroughNY.net lets users rank and compare spending, tax and debt measures for local governments. With the 2018 fiscal year data, there are now twelve years of data to explore in Benchmarking NY.

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.² Downstate communities have below-average effective property tax rates (but generally above-average per-capita taxes), while effective property tax rates tend to be highest upstate. Even allowing for such differences, 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 Jamestown spends over twice as much as the similarly-sized city of Elmira. The Westchester County town of Bedford spends 205 percent more per capita than the neighboring town of Somers. And in Central New York, the city of Oswego's per-capita debt is more than double the amount reported by the city of Cortland, in the same region.

The data offer possible answers for such disparities (among other things, Jamestown operates a municipal electric utility service and Bedford spends heavily on public safety). Local officials can undoubtedly add some explanations of their own.

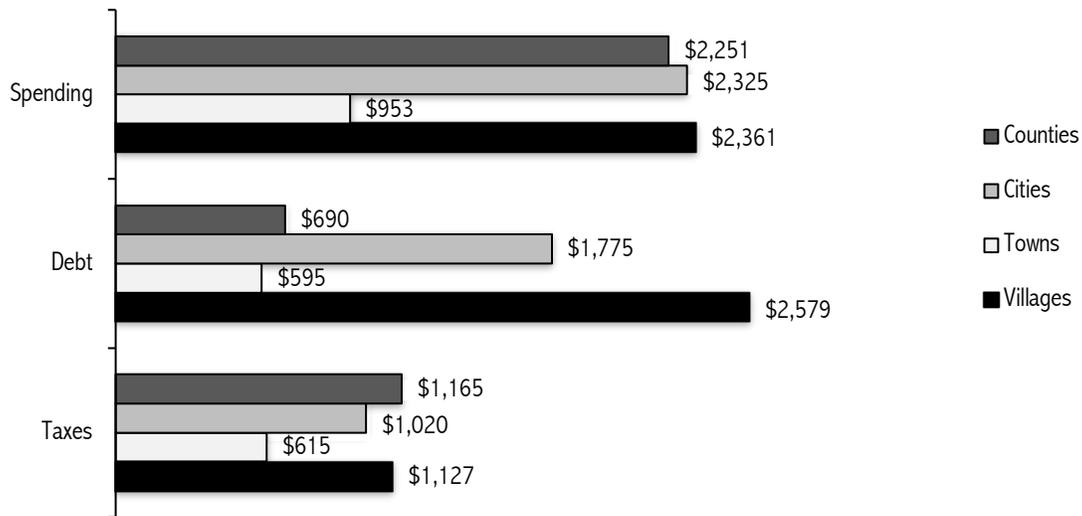
The purpose here is not to stigmatize, but to raise questions—and promote informed public discussion of the forces driving high local taxes in every corner of New York. The sluggish economic recovery in the aftermath of the Great Recession has only intensified the urgent need to reduce taxes at every level of government.

Governor Cuomo has focused on shared services and consolidation as a response to high local spending and taxes. To be sure, there are opportunities in this area, as the Empire Center has highlighted in two reports.³ The good news is that there already are many cases of service-sharing arrangements involving different government entities throughout the state. These arrangements can be expanded or serve as examples for more jurisdictions.

However, consolidations or service-sharing arrangements are not a panacea.⁴ 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.

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

Per-Capita Averages for Counties, Cities, Towns and Villages 2018



Source: Office of State Comptroller, further calculations by the Empire Center for Public Policy.

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 online.

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

A searchable database of tax and spending benchmarks for villages, towns, cities and counties has been posted at SeeThroughNY.net/benchmarking.

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.

¹ Because population breakdowns are not available for school districts and special districts, they are excluded.

² Compare local governments using the Benchmarking web app at SeeThroughNY.net/benchmarking

³ EmpireCenter.org/empire-ideas

⁴ 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).

Table 1. 2018 Local Government¹ Benchmarks

All New York Regions

	Counties			Cities			Towns			Villages		
Large												
Per-Capita Spending												
	High	Westchester	\$2,937.36	Yonkers	\$3,088.82	Oyster Bay	\$1,917.50	Johnson City	\$4,325.14			
	Low	Erie	\$1,790.62	Albany	\$1,982.90	Islip	\$757.61	Lake Grove	\$390.60			
	Average		\$2,437.48		\$2,504.91		\$1,118.21		\$1,813.57			
Per-Capita Debt												
	High	Nassau	\$3,026.56	Yonkers	\$2,732.26	Oyster Bay	\$2,536.21	Johnson City	\$6,282.53			
	Low	Erie	\$682.84	Albany	\$965.04	Smithtown	\$219.60	Mastic Beach	\$0.00			
	Average		\$1,688.24		\$1,766.90		\$995.67		\$1,534.48			
Per-Capita Taxes												
	High	Nassau	\$1,701.46	Yonkers	\$1,670.19	Oyster Bay	\$952.50	Scarsdale	\$2,518.74			
	Low	Erie	\$1,227.66	Buffalo	\$701.38	Brookhaven	\$376.54	Mastic Beach	\$113.92			
	Average		\$1,440.36		\$1,121.04		\$599.64		\$977.44			
Property Tax Rate												
	High	Erie	0.49%	Albany	1.21%	Amherst	0.71%	Hempstead	2.05%			
	Low	Suffolk	0.23%	Yonkers	0.68%	North Hempstead	0.27%	Harrison	0.12%			
	Average		0.39%		0.87%		0.39%		0.81%			
Medium												
Per-Capita Spending												
	High	Broome	\$2,518.80	Binghamton	\$3,784.09	East Hampton	\$4,889.64	East Hampton	\$21,265.63			
	Low	Saratoga	\$1,426.30	Batavia	\$1,473.61	Kingsbury	\$213.09	New Hempstead	\$194.66			
	Average		\$2,037.72		\$2,325.05		\$956.02		\$1,721.22			
Per-Capita Debt												
	High	Rockland	\$1,825.27	Binghamton	\$5,000.16	East Hampton	\$5,782.61	Castile	\$9,014.03			
	Low	Oswego	\$59.78	Lackawanna	\$314.76	Horseheads	\$2.91	Lansing	\$9.12			
	Average		\$715.38		\$1,820.34		\$660.52		\$1,458.78			
Per-Capita Taxes												
	High	Ontario	\$1,363.39	White Plains	\$2,010.00	East Hampton	\$4,198.08	East Hampton	\$12,291.83			
	Low	Saratoga	\$867.75	Amsterdam	\$597.39	Rye	\$129.93	Kaser	\$36.35			
	Average		\$1,100.27		\$1,024.63		\$646.20		\$793.33			
Property Tax Rate												
	High	Oswego	0.90%	Binghamton	2.46%	Cheektowaga	1.43%	Ellenville	2.82%			
	Low	Saratoga	0.23%	Rye	0.27%	Wilton	0.03%	North Hills	0.003%			
	Average		0.60%		1.30%		0.47%		0.74%			
Small												
Per-Capita Spending												
	High	Lewis	\$5,823.60	Port Jervis	\$2,761.71	Newcomb	\$15,267.27	Ocean Beach	\$187,571.58			
	Low	Tioga	\$1,514.40	Little Falls	\$1,925.97	Green Island	\$132.24	Brushton	\$92.90			
	Average		\$2,350.39		\$2,178.87		\$950.13		\$3,722.85			
Per-Capita Debt												
	High	Sullivan	\$2,147.34	Port Jervis	\$2,206.77	Santa Clara	\$6,444.38	Saltaire	\$204,864.86			
	Low	Fulton	\$21.15	Sherrill	\$638.23	Jackson	\$1.11	Nelliston	\$15.10			
	Average		\$545.96		\$1,452.25		\$571.56		\$5,415.69			
Per-Capita Taxes												
	High	Hamilton	\$2,622.44	Port Jervis	\$1,190.16	Newcomb	\$9,083.19	Saltaire	\$67,860.62			
	Low	Franklin	\$826.59	Sherrill	\$621.90	Green Island	\$36.36	Brushton	\$59.56			
	Average		\$1,169.61		\$906.18		\$609.13		\$1,816.03			
Property Tax Rate												
	High	Allegany	1.43%	Little Falls	2.08%	Alma	1.54%	Clayville	1.36%			
	Low	Otsego	0.24%	Sherrill	0.52%	Sennett	0.01%	Sagaponack	0.01%			
	Average		0.73%		1.34%		0.48%		0.55%			

¹ Excludes school districts.