VILLAGE OF EAST SYRACUSE
ONONDAGA COUNTY, NEW YORK

QUANTITATIVE ANALYSIS PERTAINING TO: THE CONSOLIDATION OF POLICE SERVICES WITH THE TOWN OF DEWITT

ESTIMATED NET FINANCIAL IMPACT OF THE VILLAGE POLICE DEPARTMENT ON THE VILLAGE TAXES

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Additionally, this report is an independent study. The findings are based on the assumptions detailed herein along with information as provided by the Village, which includes, but it not limited to annual update documents, budgets, detailed statement of revenues and expenditures by department, contracts and employee historical information. This report does not form an opinion or a recommendation to the Village; it provides only the estimated economic impact of maintaining the Village Police Department.

ASSUMPTIONS MADE IN CONJUNCTION WITH PREPARING THE ANALYSIS

The following assumptions have been made when preparing this report. Any alteration to these assumptions will impact the outcome of the report. At the request of the Village, we are happy to run alternate scenarios for any changes in the assumptions.

Employees /Wages: Currently, the Village employs the following employees related to the Police Department: seven (7) full-time officers, five (5) part-time officers, one (1) part-time senior investigator, two (2) civilian administrative staff and one (1) part-time school crossing guard. For purposes of the budget projections, this report assumes that the number of employees will remain constant over the following five years, that there will be no retiring employees during this time period and no replacement hires (currently there are two vacant full-time officer positions). Additionally, assumes wage increases per Collective Bargaining Agreement, where applicable (expires June 1, 2012) annually continuing through and including budget projections for 2014-15.

Assets: Assumes the Police Department will not make any asset purchases and/or enter into asset leases over the next five years. I.E. patrol car purchases/leases.

Dispatcher: Assumes 2.16% increase for 2011-12 continuing through and including budget projections for 2014-15. 2.16% increase is calculated based on average raise in 2007-08 and 2008-09.

DWI Patrol: Assumes zero percent increase for 2011-12 continuing through and including budget projections for 2014-15. This program is dependent on grant funds. The Department spends only what is off-set by grants. Therefore, the net impact of this program is zero.

Shift Differential: Assumes $19,710 per year continuing through and including budget projections for 2014-15 with a zero percent increase. Based on 2010-11 budgeted amount.

Police Equipment: 2010-11 budget carries no appropriation to this line item. Assumes zero percent increase for 2011-12 continuing through and including budget projections for 2014-15.

General Traffic Safety Grant: Assumes $4,000 per year continuing through and including budget projections for 2014-15 with a zero percent increase.

Police Office Supplies: Assumes $4,000 per year continuing through and including budget projections for 2014-15 with a zero percent increase. This amount includes $1,140 each year for a copier lease.

Police Updated Law
Books: Assumes $700 per year continuing through and including budget projections for 2014-15 with a zero percent increase.

Police
Memberships: Assumes $630 per year continuing through and including budget projections for 2014-15 with a zero percent increase.

Police
Uniforms: Assumes $16,000 per year continuing through and including budget projections for 2014-15 with a zero percent increase.

DARE
Program: Assumes this is no longer an expense on budget. This program has been completed and closed out.

Retirement
Benefits: Assumes a contribution of 18.2% (up from 15.1% in 2009-10) for 2010-11 and an increase of 1.5% per year continuing through and including budget projections for 2014-15.

Tuition Reimbursement:
Assumes no employees utilize the Tuition Reimbursement option stated in Contract.

Longevity: Assumes Longevity payment per Collective Bargaining Agreement (expires June 1, 2012).

Police
Attendance: Assumes $2,600 annually continuing through and including budget projections for 2014-15. Based on 2009-10 and 2010-11 amounts budgeted.

Accrual of
Benefits: Assumes no officers are retiring during the next five years. Therefore, no benefits for this purpose are paid out.

Police Department
Revenues: Assumes budget increases/(decreases) by the average percentage increase/(decrease) over the prior three fiscal years (being 2007-08, 2008-09 and 2009-10). Also assumes these revenue sources would discontinue if the Police Department was consolidated.

Village
Justice: Does not take into account any savings to be realized from the reduced services the Village Justice would experience.

Unemployment
Insurance: Not included in the analysis. Figures pertaining only to Police is not available.

Police Services
Other: Assumes $12,900 per year continuing through and including budget projections for 2014-15 with a zero percent increase.

Revenues/Expenses not addressed above assume an annual increase/(decrease) based on the average percentage increase/(decrease) over the prior three fiscal years (being 2007-08, 2008-09 and 2009-10).

VILLAGE OF EAST SYRACUSE – GENERAL FUND

The following represents historical data/trends for the Village's General Fund to be used as reference when reviewing the subsequent information pertaining directly to the Police Department.

General Fund Expenditures

The following is the calculation of the Village's five year average percentage increase/(decrease) in expenditures related to the General Fund. This five year average percentage was used as a basis to project total general fund expenditures in future years (being 2011-12, 2012-13, 2013-14 and 2014-15).

Total General	Fund Expenditures	% Increase/(Decrease) from Prior Year
2005-06 (actual)	$ 4,441,284	14.34%
2006-07 (actual)	$ 4,726,056	6.41%
2007-08 (actual)	$ 4,635,826	(1.91%)
2008-09 (actual)	$ 5,256,082	13.38%
2009-10 (actual)	$ 5,045,717	(4.00%)
Five Year Average Increase in General Fund Expenditures:		**5.64%**

General Fund Tax Levy and Full Value Tax Rates:

The following is the Village's general fund tax levy and tax rate per $1,000 full value for the five most current completed years.

	General Fund Tax Levy	Tax Rates Per $1,000 Full Value
2005-06 (actual)	$ 2,001,395	$ 125.84
2006-07 (actual)	$ 2,423,720	132.51
2007-08 (actual)	$ 2,665,848	135.47
2008-09 (actual)	$ 2,744,375	13.50
2009-10 (actual)	$ 2,624,738	13.50

General Fund Taxable Assessed and Full Valuations:

The following is the Village's taxable assessed and full valuations for the five most current completed years as well as the five year average increase/(decrease) in full value:

Years Ending May 31:	2006-07	2007-08	2008-09	2009-10	2010-11
Assessed Valuation	20,888,512	21,693,522	240,560,644	223,404,226	228,106,644
State Equalization Rate	11.39%	11.05%	100.00%	112.75%	114.28%
Full Valuation	183,393,433	196,321,466	240,560,644	198,141,220	199,603,294
Percentage Increase/(Decrease) from Previous Year	17.55%	7.05%	22.53%	(17.63%)	0.74%

Five year average increase in full value: 6.05%

VILLAGE OF EAST SYRACUSE – POLICE DEPARTMENT

Police Department Expenses

The following is the expense trend of the Police Department over the fiscal years 2007-08 (actual), 2008-09 (actual) and 2009-10 (actual). The average increase/(decrease) in expenses over this three year period is (2.73%). Such expenses are exclusive of unemployment insurance.

Total Police Department Expenses

	Expenses in $$	% increase/(decrease) from Prior Year
2007-08 (actual)	$ 1,330,366	(4.27%)
2008-09 (budget)	$ 1,445,739	9.42%
2009-10 (budget)	$ 1,284,506	(13.33%)

Police Department Revenues

The following is the revenue trend of the Police Department over the fiscal years 2007-08 (actual), 2008-09 (actual) and 2009-10 (actual). The average increase/(decrease) in revenues over this three year period is (3.98%).

Total Police Department Revenues

	Revenues in $$	% increase/(decrease) from Prior Year
2007-08 (actual)	$ 98,712.90	(33.58%)
2008-09 (actual)	$ 122,055	19.12%
2009-10 (actual)	$ 125,055	2.51%

Net Police Department Impact to General Fund

The following is the net impact the Police Department has to the Village's General Fund. The average net impact over this three year period is (3.17%).

Net Impact to General Fund

	Expense in $$	% increase/(decrease) from Prior Year
2007-08 (actual)	$ 1,231,654	(2.13%)
2008-09 (actual)	$ 1,333,684	7.65%
2009-10 (actual)	$ 1,159,307	(15.04%)

Percentage of Total General Fund

The following depicts the total net impact the Police Department has on the General Fund as a percentage of total General Fund expenses.

Percentage Impact to General Fund

	Net Expense of Police Department	Total General Fund Expenses	Police Department % of Total General Fund
2007-08 (actual)	$ 1,231,654	$ 4,635,826	28.70%
2008-09 (actual)	$ 1,333,684	$ 5,256,087	27.70%
2009-10 (actual)	$ 1,159,307	$ 5,045,717	25.46%

Impact on Tax Rate

The following information gives the detail of the Village's tax base and the impact the Police Department has on the Village's Tax Levy and Tax Rate.

Tax Rate Per $1,000 Full Value

Fiscal Year:	2007-08	2008-09	2009-10
General Fund	$ 14.97	$ 13.50	$ 13.50
Amount Applicable to Police	$ 6.27	$ 5.54	$ 5.85
As a Percentage (%)	41.91%	37.03%	39.08%

Tax Levy

Fiscal Year:	2007-08	2008-09	2009-10
Total Tax Levy	$ 2,665,848	$ 2,744,375	$ 2,624,738
Amount Applicable to Police	$ 1,231,654	$ 1,333,684	$ 1,159,307
As a Percentage (%)	46.20%	48.60%	44.17%

Annual Impact of Police Department on a Home with a Full Value of $85,000

	Amount of Taxes on Home with Full Value of $85,000	Amount of Taxes Attributable to Police	% of Total Village Taxes
2007-08 (actual)	$ 1,272.45	$ 533.26	41.91%
2008-09 (actual)	$ 1,147.50	$ 471.25	41.07%
2009-10 (actual)	$ 1,147.50	$ 497.33	43.34%

Projected Impact of Police Department over the Coming Five Fiscal Years

The following depicts the estimated impact of the Police Department over the coming five fiscal years. It is assumed the full valuation and full value tax rate per $1,000 will remain constant over this period (five year average annual increase is 6.05%).

	Amount of Taxes on Home with Full Value of $85,000	Amount of Taxes Attributable to Police	% of Total Village General Fund Taxes
2010-11 (budget)	$ 1,147.50	$ 492.52	42.93%
2011-12 (budget)	$ 1,147.50	$ 493.91	43.04%
2012-13 (budget)	$ 1,147.50	$ 511.14	44.54%
2013-14 (budget)	$ 1,147.50	$ 528.16	46.03%
2014-15 (budget)	$ 1,147.50	$ 547.91	47.75%

Estimated total amount to be spent by taxpayer of an $85,000 home over the coming five fiscal years is approximately $2,573.71.

The following depicts the estimated impact of the Police Department over the coming five fiscal years. It is assumed the full valuation will increase at a rate of 6.05% each year during this period (five year average annual increase is 6.05%) and full value tax rate per $1,000 will remain constant.

	Amount of Taxes on Home with Full Value of $85,000	Amount of Taxes Attributable to Police	% of Total Village General Fund Taxes
2010-11 (budget)	$ 1,147.50	$ 492.52	42.93%
2011-12 (budget)	$ 1,147.50	$ 465.93	40.59%
2012-13 (budget)	$ 1,147.50	$ 454.48	39.61%
2013-14 (budget)	$ 1,147.50	$ 442.83	38.59%
2014-15 (budget)	$ 1,147.50	$ 433.18	37.75%

Estimated total amount to be spent by taxpayer of an $85,000 home over the coming five fiscal years is approximately $2,288.81.

As shown above, it is expected over the coming years that, under the assumptions stated herein, the expenses associated with the Police Department will continue to be approximately 40% of the total General Fund budget.