

Local Government Snapshot



NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

Thomas P. DiNapoli • State Comptroller

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Local Government Spending on Highways

■ New York's 57 counties (excluding New York City), 61 cities, 932 towns and 556¹ villages reported spending nearly \$2.6 billion to maintain 187,000 highway lane miles in 2009.² Highway maintenance is one of the largest categories of expense for local governments, representing 7.6 percent of total local government expenditures. Nearly 80 percent of highway spending occurs at the town and county levels.

■ Of the \$2.6 billion spent on highways in 2009, \$1.9 billion (72 percent) was related to administration and operations and \$0.7 billion (28 percent) was attributable to capital spending.

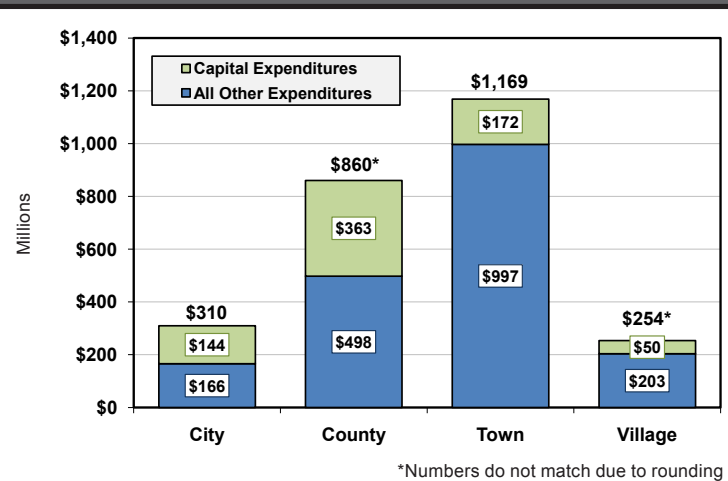
■ It is estimated that there are between 1,000 and 1,500 local government highway departments statewide that construct, repair and maintain roadways and walkways.³ A recent study of shared services opportunities in Ulster County revealed that restructuring the provision of highway services presented the best prospect for potential savings.⁴

■ Given the level of spending that occurs for the services these departments provide, and the number of different government entities currently providing them, greater sharing of highway services could generate significant cost-savings for local taxpayers. This may be especially true in the area of administrative efficiencies.

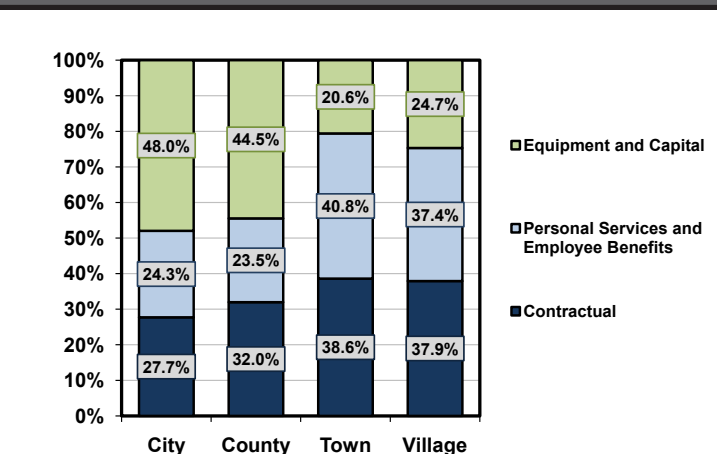
■ Studies that have examined and measured the potential for savings through cooperative activities and shared services have generally identified savings of between two to five percent of total costs. If local officials focused on sharing the administrative components of their highway operations, savings of two to five percent could potentially produce taxpayer savings of \$37 million to \$93 million statewide.⁵

■ The portion of highway spending upon which this savings figure is calculated excludes capital outlay. This exclusion recognizes that adequate and timely maintenance of local infrastructure is a fiscally prudent practice overall, regardless of which local government is responsible for the activity.

Local Government Spending on Highways: 2009



Highway Expenditure Breakdown by Category, 2009



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Aggregate Costs of Highway Services

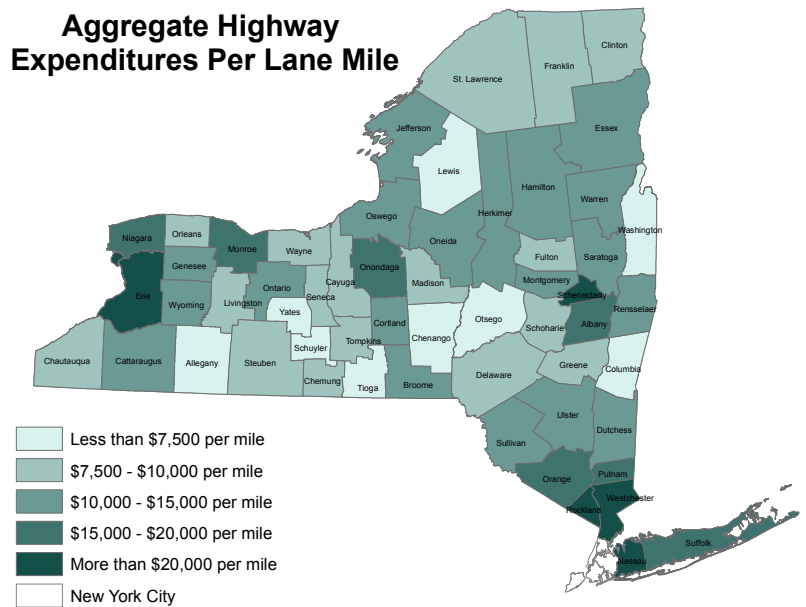
■ The costs of maintaining highways can vary due to many factors. For example, roads that carry more traffic or that are located in densely populated urban centers may require more frequent plowing than less traveled, rural roads. Further, costs can fluctuate from year to year as local governments purchase expensive equipment or embark on capital improvement projects.

■ Based on aggregate highway spending reported in 2009, the average statewide cost of maintaining a lane mile was \$13,841. Cities and counties tend to have higher costs per mile of road maintained (\$21,966 and \$20,260, respectively), followed by villages (\$18,536), while towns tend to spend the least per lane mile (\$9,985). **[Appendix A]**

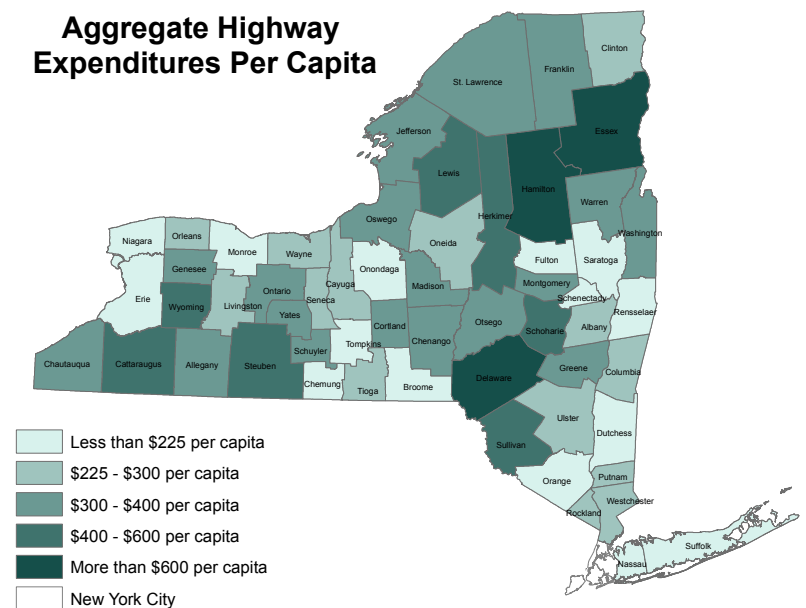
■ Governments located in the Mid-Hudson and Long Island Regions spent \$20,807 and \$20,492 per lane mile, respectively, in 2009. These governments maintain 26 percent of county, city, town and village roads statewide, but account for nearly 40 percent of total highway spending. In contrast, Southern Tier governments spent \$8,255 per lane mile, maintain 14 percent of the municipal roadways across the State, and are responsible for less than 9 percent of statewide highway expenditures.

■ Based on aggregate municipal highway spending in each county, the cost of maintaining a lane mile ranges from \$35,504 in Westchester County to \$5,634 in Lewis County, compared to the statewide average of \$13,841. However, Westchester County reported a large capital expenditure in 2009, inflating the county per-lane mile cost.

Aggregate Highway Expenditures Per Lane Mile



Aggregate Highway Expenditures Per Capita



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■ The statewide average of highway spending per capita in 2009 was \$233, with counties reporting the lowest spending per capita (\$77) and cities reporting the highest (\$141). Per capita spending in towns and villages was \$131 and \$134 respectively. **[Appendix B]**

■ As one would expect, spending on a per capita basis tends to be higher in rural regions, as there are fewer people to support the cost of maintaining roads. Costs per capita are highest for residents in the North Country Region (\$361), while residents in the heavily populated Long Island Region pay the least (\$165 per capita).

■ When highway spending is aggregated at the county level and benchmarked against the population paying for those expenses, the overlapping per capita cost ranges from \$678 in Delaware County to \$148 per capita in more densely populated Monroe County, compared to the statewide average of \$233.

Region	Percent of Total	
	Expenditures	Miles
Capital District	9.7%	11.3%
Central New York	7.6%	8.5%
Finger Lakes	9.9%	11.4%
Long Island	18.3%	12.4%
Mid-Hudson Region	21.2%	14.1%
Mohawk Valley	5.5%	6.9%
North Country	5.9%	9.6%
Southern Tier	8.5%	14.2%
Western New York	13.4%	11.7%

Opportunities for Cost Savings

■ Given the nature of overlapping highway service provision, many municipalities are already realizing savings through the sharing of services and equipment. Other municipalities have structured formal shared service agreements, often with the help of the Department of State's administration of the Local Government Efficiency Grant Program. Some examples of the types of sharing arrangements and associated savings are provided on the following page.

■ To the extent that local officials can streamline the administrative aspects of their operations, potential savings could be quite substantial.

■ Ulster County recently studied diminishing the role of the county highway department by decentralizing most related services to the town level. This type of regional approach could save the County between \$1 million and \$7 million annually, or between 2 and 15 percent of total County highway spending.⁶ Monroe, Jefferson and Chemung County already have or are in the process of decentralizing the County highway function to towns.

Cayuga County

In Cayuga County, each municipal government, from the county down to each city, town and village, has a highway department – 34 in all. These governments spent nearly \$30 million in 2010 to maintain 2,715 lane miles of roadway. Attempting to capitalize on efficiencies, some county and town leaders in Cayuga County are working to develop a plan to phase out the County Highway Department and transfer its work to the towns.

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Examples of Shared Highway Services and Projected Savings

Participant A	Participant B	Participant C	Shared Service	Savings \$
Broome County	Town of Chenango		Shared salt storage facility	Broome County: \$70,400 annually Town of Chenango: \$55,200 annually
Cayuga County	Town of Sempronius		Purchase of a shared salt storage facility and shared highway services	Cayuga County: \$89,265 annually Town of Sempronius: \$6,845 annually
Chautauqua County	Town of Ellicott		Countywide consolidation of highway surface treatments	Chautauqua County: \$532,800
Franklin County	Municipalities in Franklin County		Municipalities will share paving equipment with Franklin County	Franklin County: \$80,402 annually
Monroe County	Municipalities in Monroe County		Municipalities will share highway equipment with Monroe County	Monroe County: \$83,336 annually
Ulster County	Town of Hardenburgh		The County contracts with the Town to provide winter maintenance on nine miles of County road in the Town of Denning.	Savings not known
Wyoming County	All Towns		Wyoming County is in the process of consolidating all highway maintenance for its towns	Savings not known
City of Schenectady	Schenectady County	Towns of Niskayuna and Rotterdam	Municipalities have agreed to purchase a shared salt storage facility	The City of Schenectady: \$26,400 annually Town of Rotterdam: \$26,400 annually Schenectady County: \$173,000 annually
Town of Clayton	Village of Clayton	Jefferson County	The Town and Village share a joint highway facility. The Town and County cooperate on road and bridge maintenance work, and the Town provides the County with access to tools and equipment.	Savings not known
Town of Montague	Town of Harrisburg	Town of Pinckney	Located in rural Lewis County, the three towns cooperatively purchase equipment to clear roadside brush and debris.	Town of Montague: \$11,455 annually Town of Harrisburg: \$11,455 annually Town of Pinckney: \$11,455 annually
Webster Central School District	Village of Webster		The School District and the village received grant money for a shared fuel facility.	Webster Central School District: \$1,000 Village of Webster: \$19,131

¹ As of January 1, 2011, there were 555 villages in New York. The Village of Limestone dissolved into the Town of Carrollton.

² Excluding New York City and its boroughs; lane miles are the length of roadway, multiplied by the number of lanes. Since road maintenance is required of all lanes of a roadway, lane miles were used in this analysis.

³ According to OSC data, there are 1,048 highway superintendents in counties, cities, towns and villages, statewide. There are also a number of departments (e.g., public works) that may be responsible for highways that are not included in this number. The Local Government Commission on Efficiency and Competitiveness estimated 1,500 highway departments, statewide, in its 2008 report on highway services (www.nyslocalgov.org/pdf/HighwayServices.pdf).

⁴ Drapkin, Jonathan. July 2010. *Intergovernmental Collaboration in Ulster County: An Action Plan for Moving Forward*.

⁵ Previous studies on cooperation have identified 2 to 5 percent savings as a reasonable expectation for sharing of administrative functions. Spending on capital outlay was excluded from the savings estimate. This estimate does not take into account shared services that may already exist.

⁶ Hattery, Michael. July 2010. *Identifying Opportunities for Highway Service Cooperation*. <http://www.co.ulster.ny.us/municipalities/FINAL%20HIGHWAY%20Study%207-14.pdf>.



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Appendix A

Highway Expenditures Per Lane Mile, 2009

County	City Cost (\$)	County Cost (\$)	Town Cost (\$)	Village Cost (\$)	Aggregate County Cost (\$)	County	City Cost (\$)	County Cost (\$)	Town Cost (\$)	Village Cost (\$)	Aggregate County Cost (\$)
Albany	31,665	38,179	10,657	20,439	19,959	Fulton	14,058	10,048	5,861	12,216	8,160
Columbia	15,916	-	7,764	25,358	6,784	Hamilton	-	18,523	11,827	6,908	13,872
Greene	-	15,927	6,023	6,127	8,651	Herkimer	32,821	13,221	8,569	18,945	11,971
Rensselaer	19,580	10,049	7,218	27,461	10,022	Montgomery	15,189	13,981	8,721	7,636	11,756
Saratoga	11,900	17,187	9,763	12,733	11,491	Oneida	11,847	19,889	7,713	15,478	11,828
Schenectady	22,148	30,197	13,526	9,236	20,183	Schoharie	-	10,129	5,645	21,899	7,666
Warren	5,636	17,132	8,554	32,468	10,652	Mohawk Valley Region	13,476	14,779	7,532	15,229	10,897
Washington	-	16,484	3,888	12,322	7,158	Clinton	24,478	9,726	5,328	18,257	7,789
Capital Region	22,113	17,828	8,168	15,779	11,902	Essex	-	14,150	8,739	36,094	11,189
Cayuga	28,720	8,139	5,977	11,469	8,585	Franklin	-	18,708	4,407	18,457	8,621
Cortland	25,970	15,503	6,094	27,247	10,609	Jefferson	39,256	9,489	7,109	19,562	10,387
Madison	16,101	13,205	5,633	20,480	9,404	Lewis	-	9,789	4,301	10,341	5,634
Onondaga	7,431	28,781	11,864	20,857	16,566	St. Lawrence	16,549	17,327	4,445	10,720	7,855
Oswego	18,310	17,478	6,990	10,039	11,216	North Country Region	29,754	13,240	5,452	16,155	8,530
Central NY Region	13,140	18,343	7,965	18,809	12,310	Broome	15,494	12,272	9,292	14,399	10,842
Genesee	32,370	15,225	9,134	10,956	12,680	Chemung	21,120	13,799	5,139	8,837	9,555
Livingston	-	12,275	6,161	15,829	8,287	Chenango	22,588	12,699	4,148	16,278	6,554
Monroe	10,034	19,608	18,266	21,536	16,997	Delaware	-	21,260	5,758	14,196	8,296
Ontario	34,224	27,547	9,680	17,129	14,761	Otsego	36,179	7,653	5,079	17,159	6,794
Orleans	-	8,355	7,216	12,018	7,981	Schuylar	-	11,708	3,573	13,399	5,809
Seneca	-	11,534	4,887	14,766	7,670	Steuben	41,391	15,909	4,312	14,482	8,840
Wayne	-	9,441	7,801	13,702	8,864	Tioga	-	17,314	5,067	8,985	7,086
Wyoming	-	16,769	7,055	16,320	10,236	Tompkins	-	12,348	7,290	12,532	8,610
Yates	-	6,997	5,402	23,024	6,615	Southern Tier Region	21,884	13,590	5,486	13,381	8,255
Finger Lakes Region	13,906	15,283	10,188	16,319	12,121	Allegany	-	10,877	4,153	10,205	5,816
Nassau	14,066	17,051	27,842	25,820	24,539	Cattaraugus	19,408	25,470	5,524	15,448	11,176
Suffolk	-	54,626	14,454	15,270	17,876	Chautauqua	23,592	11,935	6,414	14,510	9,934
Long Island Region	14,066	31,191	18,169	22,030	20,492	Erie	44,582	23,178	19,314	20,336	25,328
Dutchess	18,245	18,647	11,446	14,480	13,351	Niagara	21,992	18,409	11,124	12,862	16,166
Orange	13,929	33,358	12,911	17,923	16,611	Western NY Region	33,540	19,296	10,006	16,610	15,946
Putnam	-	36,387	15,791	11,733	19,069	Statewide	21,966	20,260	9,985	18,536	13,841
Rockland	-	47,089	35,957	18,586	32,087	*In some instances, municipalities have not reported financial data to the Office of the State Comptroller prior to publication. While most of the missing data is from small towns or villages, missing data from Columbia County in the Capital Region and the City of Ithaca in Tompkins County in the Southern Tier could have a significant effect on per mile calculations.					
Sullivan	-	20,488	8,060	17,477	10,999	**Westchester County had a large capital expenditure in 2009, inflating its per mile expenditure totals.					
Ulster	17,204	20,864	9,013	18,129	12,156						
Westchester	26,831	242,283	17,500	22,702	35,504						
Mid-Hudson Region	23,293	48,298	13,798	19,958	20,807						

Appendix B

Highway Expenditures Per Capita, 2009

County	City Cost (\$)	County Cost (\$)	Town Cost (\$)	Village Cost (\$)	Aggregate County Cost (\$)
Albany	194	75	122	147	237
Columbia	184	-	260	249	276
Greene	-	170	164	76	349
Rensselaer	137	43	136	329	195
Saratoga	118	56	136	135	201
Schenectady	145	87	102	60	210
Warren	50	130	232	533	332
Washington	-	149	117	106	300
Capital Region	157	76	144	146	236
Cayuga	209	105	161	102	293
Cortland	132	160	210	254	368
Madison	169	166	138	131	346
Onondaga	57	105	97	164	206
Oswego	186	145	146	84	307
Central NY Region	103	120	122	147	254
Genesee	225	136	200	83	353
Livingston	-	95	149	106	288
Monroe	64	40	115	124	148
Ontario	221	125	222	155	365
Orleans	-	78	134	95	243
Seneca	-	107	103	122	257
Wayne	-	84	145	156	270
Wyoming	-	196	212	148	459
Yates	-	103	215	211	378
Finger Lakes Region	90	69	140	129	216
Nassau	69	24	96	136	165
Suffolk	-	42	110	160	166
Long Island Region	69	34	103	142	165
Dutchess	103	50	134	122	187
Orange	98	54	110	112	191
Putnam	-	85	184	84	273
Rockland	-	57	139	115	243
Sullivan	-	209	297	177	536
Ulster	133	97	159	114	262
Westchester	111	105	98	130	243
Mid-Hudson Region	110	85	132	123	240

County	City Cost (\$)	County Cost (\$)	Town Cost (\$)	Village Cost (\$)	Aggregate County Cost (\$)
Fulton	131	53	164	182	213
Hamilton	-	711	850	484	1,592
Herkimer	343	246	168	147	485
Montgomery	134	227	166	84	400
Oneida	105	103	145	145	248
Schoharie	-	207	226	169	480
Mohawk Valley Region	121	145	174	143	327
Clinton	159	85	140	103	241
Essex	-	268	297	393	605
Franklin	-	198	145	149	383
Jefferson	293	86	161	172	310
Lewis	-	186	293	95	505
St. Lawrence	146	183	167	83	375
North Country Region	220	147	180	131	361
Broome	110	43	132	108	188
Chemung	194	77	101	93	221
Chenango	162	155	211	147	385
Delaware	-	245	385	167	678
Otsego	240	118	259	208	398
Schuyler	-	152	172	222	379
Steuben	446	223	212	153	511
Tioga	-	98	156	89	273
Tompkins	-	74	128	133	182
Southern Tier Region	163	111	180	134	310
Allegany	-	153	211	93	395
Cattaraugus	198	254	228	165	499
Chautauqua	210	99	169	131	311
Erie	223	63	112	127	224
Niagara	188	49	124	107	207
Western NY Region	213	79	132	126	251
Statewide	141	77	131	134	233

*In some instances, municipalities have not reported financial data to the Office of the State Comptroller prior to publication. While most of the missing data is from small towns or villages, missing data from Columbia County in the Capital Region and the City of Ithaca in Tompkins County in the Southern Tier could have a significant effect on per capita calculations.

**Hamilton County has the highest per capita cost per lane mile at \$1,592. However, this benchmark may be misleading due to the large number of seasonal residents who are not factored into Hamilton County's population.