



CSI Tax Force

Baldwinsville Fire Department

&

Lysander Fire District

Financial Impacts of a Consolidation/Merger
and
Finances of the Baldwinsville Fire Department and Lysander Fire District



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INTRODUCTION

In a time when fire/rescue departments are being asked to provide the same level and quality of services for less, the trend to consolidate resources in an effort to control spending, reduce the duplication of service, increase efficiency, and continue to offer a high level of service while still providing fiscal sustainability is becoming the norm.

There are many driving forces behind a merger/consolidation effort. Fire entities today are facing rising cost of operations and it is reasonable to conclude costs will continue to rise in the future. Attracting and retaining qualified volunteers to provide the required services is becoming increasingly challenging. Between 1984 and 2008, the number of volunteer firefighters across the nation fell by nearly 8 percent, according to the National Fire Protection Association. During the same time, overall calls for service doubled because of an aging population needing more medical care.

Adding to the challenge and fueling the merger/consolidation trend, New York State has instituted a property tax cap. While the immediate and long-term impacts are unknown at this time, such a cap may adversely impact the stream of revenue generally relied on by fire entities to provide the services expected by taxpayers. Additionally, the recent economic downturn has placed a greater emphasis on the need for fiscal efficiency while the new property tax cap has heightened people's attention to the costs of local governments and services.

The commitment of time and identifying alternative streams of revenue has also contributed to the challenges of a volunteer fire entity. At one time, fundraising was an additional source to increase revenues. Many volunteer fire entities held successful fundraising events associated with a field day or fireman's parade. As a result of insurance related liability issues, volunteer fire entities were faced with embarking on alternative fundraising activities. Unfortunately, many of these have so far proven unsuccessful in generating significant amounts of revenue in comparison to prior fundraising efforts.

Also, the number and type of fundraising activities seems to have increased as more organizations and not-for-profits are looking at the same shrinking market of donors. Compounding these fundraising efforts is the time commitment to plan and implement such an undertaking and questioning whether the time would be best spent on training to meet new mandates or continue with fundraising activities that produce limited and unpredictable revenues.

Baldwinsville Fire Department and Lysander Fire District have both expressed a merger/consolidation is worthy of further discussion and action. At the outset it appears the potential "marriage" brings together an entity capable of providing for a consistent revenue stream accountable to the taxpayers with an entity with strong membership.

This report is intended to bring greater understanding of the existing fire services operational costs and business operations. This report will provide sufficient information to facilitate discussion and action on a merger/consolidation. While a November 2011 study addressing existing operations has already been done for the Lysander Public Safety Committee, an operational consolidation will have a fiscal impact, predicting the exact fiscal impact involves an understanding of real property taxation along with expenditures within an appropriate legal framework. This report will include certain operational and fiscal assumptions to arrive at the potential fiscal impact of a merger between the two entities.

SUMMARY

Even though the majority of public fire services are not for-profit enterprises, fire service entities must be business-like and entrepreneurial in nature to provide for sustainability. This is best accomplished through strong internal and financial controls, accountability and a sense of appreciation from the community served. Fires, emergency medical incidents, and other public service requests occur throughout the year. The business is generally not perceived as seasonal; however, the nature of requests for service may vary with the seasons.

A primary purpose of this report is to explore the financial feasibility of a Baldwinsville Fire Department (BFD) and Lysander Fire District consolidation/merger and the formation of an enlarged fire district that would be serviced by both Lysander Fire Department and Baldwinsville Fire Department. To accomplish this purpose, answers were sought for the following questions:

- 1) What will the cost be to operate a merged/consolidated Fire entity?
- 2) Will the current tax base sufficiently support a merged/consolidated Fire entity?
- 3) What would the first year operational cost be versus its long-term operational cost?
- 4) How can a merger/consolidation improve the operations and service delivery of the two entities while achieving efficiencies and savings?
- 5) Will there be cost savings or cost avoidance without impacting the existing levels of service?

Initial Legal Questions and Assumptions

We were unable to obtain guidance from legal counsel as to the exact parameters and details to the mechanics and financial formations between these two entities.

For purposes of our report we refer to the merger of Lysander Fire District and BFD as a “combined” district or an “enlargement” of the Lysander Fire District and the area served by the BFD fire company.

In our opinion, based on our understanding of the law, the two entities are completely different legal organizations. The Lysander Fire District is in essence a governmental entity empowered to tax directly for the services provided. The Lysander Fire District would be the “surviving” entity per se in this merger for the simple reason it would be the legal entity with power to tax.

The BFD is a non-profit corporation that exists to provide fire protection services but cannot directly tax for its service. It contracts with municipalities and receives fees for its services. In many respects its only recourse in raising revenue is to negotiate with municipalities like the Town of Lysander or the Town of Van Buren in the revenue to be received. Once the respective town agrees to a fee to be paid, the town assesses that revenue to the taxpayers, collects same and pays it over to the fire company.

We have assumed the following in preparation of our report:

1. Existing debt of Lysander Fire District can only be assessed to existing Lysander Fire District taxpayers because said debt was voted upon by the then existing district and cannot be passed on to new taxpayers.
2. Lysander Fire District will become upon a successful process a much larger legal entity with taxing authority over a much greater area.
3. BFD and Lysander Fire Department can become entities within the Lysander Fire District,

retaining its name and identity but in practicality it will become part of the Lysander Fire District, providing services under the Lysander Fire District umbrella.

4. BFD expenses and debt will be spread equally over the entire Lysander Fire District. Unlike the Lysander Fire District, BFD expenses are contractual in nature and thus the entire cash needs of the BFD can be spread across the entire new geographic area of the Lysander Fire District.
5. We call the “new” entity a “combined” entity but in practice the Lysander Fire District will be a larger fire district with a solid fire department/company to service the entire tax base.

Based on the willingness expressed by the Lysander Fire Department and the BFD, the assumption was made that the legal procedure would be to dissolve the Northern and Smoke Hollow Fire Protection District’s and the enlarge the Lysander Fire District to cover the area’s formerly service under the previously mentioned Fire Protection District’s. Town Law § 172-d, outlines this process and is included as an appendix. Additionally, we have also included an abbreviated outline in the following pages.

Baseline Tax Effect

Most would agree merging departments should arguably result in tax savings or if taxes will increase for some, justification must exist in the form of better service or future savings. Simply taking existing budgets from both BFD and the Lysander Fire District we determined the baseline tax effect. It is called baseline because we used no projected savings or efficiencies in our calculation. The first table below displays cost to be assessed to all taxpayers in the combined district with no savings or adjustments. Since we did not find cost to run both departments will increase (other than one-time merger cost) this chart represents a “worse-case” scenario. With no savings from efficiencies Lysander Fire District taxpayers will benefit from merger because of the larger tax base, while BFD taxpayers will see a slight increase in their tax bills from combining Lysander Fire District’s higher operational cost in relation to taxable value.

2012 Budget Data as if Combined Entity

	Baldwinsville	Lysander	Combined
Personal Services	\$7,500	\$15,555	\$23,055
Equipment	189,110	14,924	204,034
FireFighting	210,350	114,209	320,509
Pension	42,000	8,400	50,400
Payroll Taxes		774	774
Employee Benefits		23,868	23,868
Debt/Interest	202,883	47,234	250,117
Transfers	45,515		45,515
Insurance	<u>118,235</u>		<u>118,235</u>
Total Operating Costs	839,062	224,964	1,044,007
Assessed valuation	673,471,454	83,034,858	756,506,312
Rate per \$1,000/expenditures	1.25	2.62	1.38

Rates calculated based on expenditures, not on revenue, will not correspond to real property tax records.

In order to avoid any tax rate increase to the residents currently served by the Baldwinsville Fire Protection District, a projected savings of \$98,374 from the combination needs to be realized. This is very similar to a “break even” point wherein the combined entity expenditures can be no more than \$945,633 based on total assessed value of combined entity.

The immediate cost savings potential could total (at a minimal) approximately \$20,000 to \$30,000 in the initial year of combination. Through economies of scale enumerated below and in the more comprehensive second portion of the report the additional savings should be attainable. While the initial costs savings may appear to be nominal, over a five-year period the savings or avoidance of current costs in the future would be an estimated \$100,000 to \$150,000. Actual savings realized would be determined following the development and finalization of an organizational structure in addition to future learned efficiencies.

As the following chart displays, BFD taxpayers increase is not as much as indicated above because of the Lysander Fire District debt only charged to existing Lysander Fire District taxpayers.

2012 Budget Data Combined less Lysander Fire District Debt and Estimated Savings

	Combined	Combined No Debt	Combined No debt, savings
Personal Services	\$23,055	\$23,055	\$23,055
Equipment	204,034	204,034	204,034
FireFighting	320,509	320,509	320,509
Pension	50,400	50,400	50,400
Payroll Taxes	774	774	774
Employee Benefits	23,868	23,868	23,868
Debt/Interest	250,117	250,117	250,117
Transfers	45,515	45,515	45,515
Insurance	<u>118,235</u>	<u>118,235</u>	<u>118,235</u>
Operating Costs	1,044,007	1,044,007	1,044,007
<i>Less Lysander Fire Dist Debt</i>		-47,234	-47,234
<i>Less Estimated Savings</i>			-30,000
Total Operating Costs	1,044,007	996,773	966,773
Assessed valuation	756,506,312	756,506,312	756,506,312
Rate per \$1,000	1.38	1.32	1.28
Revenues from leases	25,250	25,250	25,250
Rate per \$1,000	1.35	1.28	1.24

Please note the final Lysander Fire District rate would be calculated adding back existing debt resulting in an approximate increase to that rate of $\$47,234/83,034,858=.57$ for a total Lysander Fire District rate of $1.24 + .57= 1.81$

Copies of budgets and audits from Baldwinsville FD and Lysander Fire District were used to find a baseline cost to operate the two entities annually. Budgets for both entities were analyzed to compare similar line items to determine what costs could be combined, what costs could be eliminated, and revenue and expenditure trends of each entity. Audits of both entities were reviewed with a focus on

existing internal controls, past operating results, and the future impact of debt on operations.

As a starting point for discussion and action, our review identified the following immediate cost savings should a merger/consolidation occur:

- A. Audit fees and accounting service fees could be reduced as only one set of internal control process and financial books need to be maintained and audited.
- B. Subscription and dues should be reduced eliminating redundant costs.
- C. Bank fees should be reduced by conducting business with one bank.
- D. Reduction in costs associated with accounts payable processing should occur. Vendor invoices will now be sent to a common location which could potentially reduce the number of invoices processed and the number checks written.
- E. Office supplies and office equipment repairs or replacements should be reduced by establishing a new structure. Examples would include acquiring less paper, printer cartridges, and if it were deemed redundant, office equipment such as copiers and computers and their associated costs would be eliminated.
- F. Redundant legal fees could be eliminated or reduced.
- G. A review of paid, part-time administrative staff positions may result in savings.
- H. Economies of scale should be realized through a centralized procurement process.

The financial benefit of cost savings/cost avoidance resulting from a merger/consolidation would permit for a reallocation of resources. Instead of incurring redundant or duplicating costs, financial resources could be invested to enhance training, acquire operational equipment or supplies, lowering the impact of future tax increases or achieving a sustainable fund balance level.

However, it should be noted a combined structure may create new costs, many which are non-financial, during the pre-implementation phase. This may include attorney fees, publication costs and time involved from volunteers to achieve the desired results. Considerable time and commitment will be required to meet a rather rigid time line. Even though there may be an initial increase in time/commitment, eventually this will level off and over the long-term, through efficiencies and enhance utilization, time consumption will decrease and be better managed.

As part of the pre-implementation phase, an agreement would need to be reached on an organizational structure. Standard Operating Procedures need to be in place. A review of existing mission, vision and purpose statements needs to be done with revisions as needed. There will be legal hurdles that need to be addressed. With the possible exception of legal, advertising and printing costs, the amount of actual financial costs should be minimal during the pre-implementation phase of a merger/consolidation.

It its simplest form, here is how a dissolution/enlargement takes place. A more detailed “how to” is included under Report Conclusions/Recommendations.

1. Baldwinsville FD and Lysander Fire District enter into a written agreement indicating a willingness to dissolve the Northern and Smokey Hollow Protection District’s and enlarges the Lysander Fire District to absorb the previous area serviced by BFD.
2. Each municipality’s Board (Town of Lysander, Town of Van Buren) must approve by a majority vote a proposal to dissolve/enlarge the existing districts.

3. Within 30 days of the respective Boards' vote, a joint public hearing must be held. If the Boards of each entity (Town of Lysander, Town of Van Buren) agree it is in the public interest to dissolve/enlarge, then a resolution by majority vote needs to be adopted.
4. A date is set for the establishment of the enlarged district (1/1/2013) and a District Commission is appointed to oversee the implementation of the merger/consolidation.
5. The Town of Lysander and the Lysander Fire District Board of Fire Commissioners hold a public hearing to dissolve the Smokey Hollow Fire Protection District. The Town of Lysander would vote to dissolve the Smokey Hollow Fire Protection District and add it to the existing Lysander Fire District by formal action taken by the Lysander Fire District Commissioners to add the former Smokey Hollow Fire Protection District in writing.
6. The Town of Van Buren and the Lysander Fire District Board of Fire Commissioners hold a public hearing to dissolve the Northern (Baldwinsville) Fire Protection District. The Town of Van Buren would vote to dissolve the Northern (Baldwinsville) Fire Protection District and add it to the existing Lysander Fire District.

It should be noted that since both contracts that are in effect with the Baldwinsville Fire Department expire on 12/31/12, it would be most practical to have the proposed dissolutions to be effective on this same date and then the proposed combined entity could take over.

BALDWINSVILLE FIRE COMPANY

With a long, rich history of firefighting, the Baldwinsville Volunteer Fire Company (BFD) operates as a not-for-profit fire corporation. A fire corporation is a special not-for-profit corporation that provides fire protection to a fire district, fire protection district, or village, *under contract* with the governing body (board of fire commissioners, town board, or village board of trustees). Fire corporations, fire district or town authorities have control over fire protection in such areas. It should also be noted that the BFD has no taxing authority; they rely on funding from contractual agreements.

In addition to providing fire protection for the village of Baldwinsville, BFD has contracts to provide fire protection services with the Northern Fire Protection District and the Smokey Hollow Fire Protection District.

Over recent years, BFD has made a major commitment to improving fire protection as evidenced by the building of two fire facilities. As a result, not only are these fire stations functional, modern, and cost-effective facilities, but the BFD has also improved the accessibility to fire protection for the communities they serve.

To provide the needed fire protection services, BFD relies solely on volunteers. They have a rather robust squad of firefighters, at times numbering more than 80. Additionally, they have done an admirable job at being able to maintain necessary equipment and apparatus to provide fire protection. As is the case with volunteer fire service organizations, BFD has made a valiant effort to combat funding challenges, acquire equipment, provide for facilities, and have a trained force while dealing with unfunded and changing mandates, both at the State and Federal levels.

LYSANDER FIRE DISTRICT

The Lysander Fire Department operates within the Lysander Fire District. A fire district is a political subdivision located within a town. Fire districts are established for the purpose of providing fire protection and response to emergencies. A fire district has an elected governing body (called a board of fire commissioners), administrative officers, and expenditure limitations. A fire district is dependent on the town as a means to its initial creation, extension and, to a limited extent, dissolution. A fire district has the power both to incur indebtedness and to require the levy of taxes, with such taxes being collected at the same time and in the same manner as town taxes. A fire district does not, however, have the authority to bill for emergency and ambulance services.

Lysander Fire Department operates utilizing solely volunteers. According to a recent report, Lysander Fire Department has basic facilities that are not much different than those found in other rural volunteer departments. As such, Lysander Fire Department is faced with many challenges.

Perhaps the most serious challenge is the lack in number of sufficient trained volunteers to provide fire protection services. As a result, a recent study, done for the Lysander Public Safety Committee (LPSC), concluded Lysander Fire Department was an organization at risk for long-term survival.

In addition to a shortage of volunteers, the study also questioned if Lysander Fire Department could

successfully comply with changing mandates, the need to provide needed equipment, apparatus and functional facilities, and conduct required training. The study concluded that Lysander Fire Department may not be able to continue operating as a going-concern without immediate changes.

CONSIDERATIONS OF SERVICE CONSOLIDATION/MERGER

A merger/consolidation of existing fire entities and services is a significant decision. Examples of mergers/consolidations involving fire entities across the nation are plentiful. Reviews of other merger/consolidation examples also demonstrate the benefits, which include economies of scale, larger and more diverse labor resource pool, and a reduction in duplication of specialized services and personnel, which often results in lower cost of providing fire protection for the entire community. The additional financial benefits of mergers/consolidations may include short-term cost savings and long-term cost avoidance when compared to operating as two separate fire entities.

In addition to the financial benefits, increased morale of the volunteer firefighter is also a potential benefit. As volunteers are more certain of sustainable funding, members will be better trained, equipped and therefore provide for a safer work environment which may enhance the recruitment efforts of volunteers.

Successful fire service entities, especially those that are primarily staffed with volunteers, appear to have common attributes. These attributes can be summarized as:

- 1) Adequate funding permitting for sustainability.
- 2) A collaborative labor/management relationship resulting in successful volunteer recruitment.
- 3) A strong focus on customer service.
- 4) Leadership that is innovative and provides solutions to issues involving service and fiscal obstacles.

Less successful fire entities have common characteristics as well; these factors can be summarized as:

- 1) Inadequate funding, which limits required resources needed to provide required services.
- 2) Lack of adequate manpower, especially volunteers, resulting in shortages of personnel, insufficient number of trained volunteers, and unpredictable availability of volunteers to provide the required services.
- 3) Failure to relate to the community who ultimately determine the quality of the service.
- 4) Lack of innovative leadership.

While the community often has short-term concerns of a merger/consolidation, the primary benefits of a merger/consolidation often occur in two different time lines. There are sometimes limited short-term (immediate) cost savings opportunities, and there are also some operational efficiency opportunities that may only save money or avoid costs in the long-term.

Cost savings and operational efficiencies are not the only potential benefits of a merger/consolidation. Other benefits that may result include:

- 1) A better and more integrated long-term capital plan that results in coordinated capital purchases, and a leveraging of purchasing power with larger or standardized quantities.
- 2) A stronger financial position with combined fund balances that may restrain tax rate increases in the future.
- 3) Better coordination and utilization of volunteers to help improve level and quality of service.
- 4) Coordination of assets, training schedules, and standard operating guidelines.
- 5) Shared resources may alleviate some pressure on a given fire entity to meet the ISO requirements maintaining insurance premiums.

The most often stated and widely recognized concern for any merger/consolidation is the possible loss of local control. Closely tied to this is the possible loss of identity. Each of the two fire entities potentially impacted by a merger/consolidation has storied histories and membership that spans generations. The members of each fire entity take personal ownership of their facility and their equipment, and each entity takes great pride in keeping their local community safe. A merger/consolidation of the two fire entities may result in a structure that changes the relationship that each local company has with its community.

Also, a merger/consolidation has the potential to highlight and/or exacerbate underlying personal conflicts that exist between the two entities. To the extent that this is not managed well, the success of a merger/consolidation will impact volunteers. Volunteers may choose to leave and/or switch loyalties. Should this occur in large quantity, the quality and quantity of fire services available in the community could be adversely at risk? Consequentially, should there be issues in the availability and adequacy of manpower adversely impacting on service, the result would not be in the best interest of the community.

A merger/consolidation can potentially lead to combined organizational, governance and operating structure. A key hopeful outcome in establishing a combined structure is to maximize efficiencies while maintaining internal and financial control systems. A combined organizational structure may realize immediate operational cost reductions and long-term cost avoidance without jeopardizing the level and quality of existing services the community has come to expect and appreciate. Since fire entities are service-oriented and require personnel to provide the service, one may believe there would be cost savings in personnel. However both the Baldwinsville Fire Department and Lysander Fire Department rely primarily on volunteers. With the exception of a few part-time, paid administrative staff, there would no or limited savings regarding personnel costs.

It should also be noted that no two mergers/consolidations are the same. There are different sets of internal and external stakeholders, fiscal conditions, resources, legal hurdles to overcome and styles of operations. Nonetheless, all mergers/consolidations should have the same objective and simply put, all mergers/consolidations should be done with a single focus; does a merger/consolidation best fit the needs and interests of the community.

FISCAL IMPACT

The following tables demonstrate the impact on property taxes that would result from a merger or consolidation depending upon when debt or other factors are to be assumed by the combined entity or would remain with the existing territories served by the Baldwinsville Fire Department.

TABLE A

FIRE ENTITY	TAXABLE VALUE	CURRENT FIRE TAX RATE	TOTAL TAX REVENUE	%	Parcels
LYSANDER FD	\$83,034,858	\$2.6200	\$217,551	21.35	826
SMOKEY HOLLOW-BALDWINSVILLE	\$236,448,921	\$1.1802	\$279,057	27.39	1,770
SMOKEY HALLOW - LYSANDER	\$20,580,781	\$1.1801	\$24,287	2.38	133
BALDWINSVILLE FIRE PROTECTION DISTRICT - VILLAGE	\$90,760,201	\$1.1960	\$108,549	10.65	799
BALDWINSVILLE FIRE PROTECTION DISTRICT – VAN BUREN	\$325,681,551	\$1.1960	\$389,515	38.23	2,745
TOTAL	\$756,506,312		\$1,018,959	100	6,273
NOTE: BALDWINSVILLE FIRE PROTECT DISTRICT IS NORTHERN FIRE DISTRICT					

TABLE B CURRENT COMPARATIVE RATES

TOWN	FIRE ENTITY	RATE
Camillus	Fairmount Fire Prot	.8519
Lysander	W. Phoenix	.9466
Camillus	Camillus	.9744
Geddes	Lakeside Fire	1.0382
Geddes	Geddes Fire Prot	1.0907
Lysander	Plainview Fire	1.1453
Lysander	Smokey Hollow Fire Prot	1.1802
Lysander	Belgium Cold Springs	1.2468
Dewitt	East Syracuse Fire Prot	1.4000
Manlius	Manlius Fire	1.5795
Manlius	Minoa Fire	1.7224
Lysander	Cody Fire District	1.9892
Manlius	Kirkville Fire	2.3628
Dewitt	Dewitt Fire	2.4650
Lysander	Lysander Fire District	2.6200
Dewitt	Jamesville Fire	2.7116
Lysander	Seneca River Fire District	2.9193

TABLE C**FIRE TAX LEVY ONLY (EXCLUDING SET ASIDES FOR DEBT & LSOAP)**

FIRE ENTITY	TAXABLE VALUE	%	TOTAL EXPENSES CONSOLIDATION PERFORMA FY 12	LEVY BY ENTITY %	PERFORMA FIRE TAX RATE /1000
			\$1,044,027		
BFD DEBT SVC			\$206,300		
BFD LOSAP			\$42,000		
LFD DEBT SVC			\$47,234		
LFD LOSAP			\$8,400		
NET FIRE SERVICE ONLY			\$740,197		
LYSANDER FD	\$83,034,858	10.98	\$740,197	\$81,245	\$.9784
SMOKEY HOLLOW-BALDWINSVILLE	\$236,448,921	31.26	\$740,197	\$231,351	\$.9784
SMOKEY HALLOW - LYSANDER	\$20,580,781	2.72	\$740,197	\$20,137	\$.9784
BALDWINSVILLE FIRE PROTECTION DISTRICT - VILLAGE	\$90,760,201	12.00	\$740,197	\$88,804	\$.9784
BALDWINSVILLE FIRE PROTECTION DISTRICT - VAN BUREN	\$325,681,551	43.05	\$740,197	\$318,660	\$.9784
	\$756,506,312	100.00	\$740,197	\$740,197	

TABLE D**TAX LEVY (SET ASIDES FOR DEBT & LSOAP)**

FIRE ENTITY	TAXABLE VALUE	%	TOTAL EXPENSES CONSOLIDATION PERFORMA FY 12	LEVY BY ENTITY %	PERFORMA TAX RATE /1000
			\$1,044,027		
BFD DEBT SVC			\$206,300		
SMOKEY HOLLOW-BALDWINSVILLE	\$236,448,921	35.11	\$206,300	\$72,930	\$.3063
SMOKEY HALLOW - LYSANDER	\$20,580,781	3.06	\$206,300	\$6,304	\$.3063
BALDWINSVILLE FIRE PROTECTION DISTRICT - VILLAGE	\$90,760,201	13.48	\$206,300	\$27,802	\$.3063
BALDWINSVILLE FIRE PROTECTION DISTRICT - VAN BUREN	\$325,681,551	48.36	\$206,300	\$99,764	\$.3063
	\$673,471,454				
BFD LOSAP			\$42,000		
SMOKEY HOLLOW-BALDWINSVILLE	\$236,448,921	35.11	\$42,000	\$14,726	\$.0624
SMOKEY HALLOW - LYSANDER	\$20,580,781	3.06	\$42,000	\$1,283	\$.0624
BALDWINSVILLE FIRE PROTECTION DISTRICT - VILLAGE	\$90,760,201	13.48	\$42,000	\$5,660	\$.0624
BALDWINSVILLE FIRE PROTECTION DISTRICT - VAN BUREN	\$325,681,551	48.36	\$42,000	\$20,311	\$.0624
LFD DEBT SVC	\$83,034,858	100	\$47,234	\$47,234	\$0.5688
LFD LOSAP	\$83,034,858	100	\$8,400	\$8,400	\$0.1012

TABLE E

TAX LEVY PROJECTED PERFORMA FY 12 VS CURRENT FY 12 TAX RATE

FIRE ENTITY	TAX RATE FIRE SERVICE	TAX RATE DEBT	TAX RATE LOSAP	PERFORMA TAX RATE /1000	CURRENT TAX RATE /1000
LYSANDER FD	\$.9784	\$0.5688	\$.1012	\$1.6484	\$2.6200
SMOKEY HOLLOW- BALDWINSVILLE	\$.9784	\$.3063	\$.0624	\$1.3471	\$1.1802
SMOKEY HALLOW - LYSANDER	\$.9784	\$.3063	\$.0624	\$1.3471	\$1.1801
BALDWINSVILLE FIRE PROTECTION DISTRICT - VILLAGE	\$.9784	\$.3063	\$.0624	\$1.3471	\$1.1960
BALDWINSVILLE FIRE PROTECTION DISTRICT – VAN BUREN	\$.9784	\$.3063	\$.0624	\$1.3471	\$1.1960

Table E reveals, that depending upon the assumption of debt and resolution of the differences in the LOSAP that exist between the Baldwinsville Fire Department and the Lysander Fire Department should a merger/consolidation occur, the projected tax rates may be higher than those currently exist today.

REPORT CONCLUSION/RECOMMENDATIONS

There are several internal and financial controls that should be reviewed regularly with an eye on improving the fiscal performance and accountability of the combined entity. This report highlights the following areas in need of review:

- 1) Improve the budgeting process to include the use of historical trends, anticipates future needs and is aligned with a strategic plan. Also, fundraising, interest and anticipated alternative revenue sources need to be included in the budget. Every effort should be made to make the budget as transparent as possible, consistent in nature, and comply with the requirements established by the State.
- 2) Develop a long-term capital plan, five or ten years in duration, and updated each year.
- 3) Develop and implement a Disaster recovery plan for electronic fiscal information.
- 4) Develop and update on a regular basis, no less than each quarter, a cash flow statement.
- 5) Provide Treasurer with annual training opportunity due to on-going changes in accounting and reporting requirements.
- 6) Establish a fund balance policy that will provide for sustainability.
- 7) Aggressively pursue alternative revenue sources such as grants and continue developing existing revenue sources such as fundraisers, donations and gifts.
- 8) To leverage purchasing power, pursue collaborative or joint procurement opportunities with other fire entities or governmental agencies to maximize the effective and efficient use of limited revenues.
- 9) Review existing internal controls to minimize any opportunity for fraud or abuse.
- 10) Annually review policies and procedures for compliance purposes.

The apparent willingness to move forward with a merger/consolidation of the Lysander Fire District and the Baldwinsville Fire Department helped us to develop the below framework. Our research did reveal one example of dissolution of a Fire Protection District and the expansion of an adjoining Fire District and it is anticipated this option presents several legal, administrative, and fiscal hurdles. While feasible, it is anticipated this option will present a number of legal challenges that need to be addressed with a merger/consolidation, including enabling legislation, establishing joint fire districts, disbanding fire districts, service awards programs, and transfer of capital assets, especially with existing debt, to name a few. Therefore, it is strongly recommended legal counsel be engaged at the outset to address any legal hurdles associated with a merger/consolidation. Such a merger/consolidation would expand the current footprint of the Lysander Fire District by adding the territories currently served by the Baldwinsville Fire Department.

To accomplish a merger, the following steps are recommended:

- 1) Baldwinsville FD and Lysander Fire District enter into a written Memorandum of Understanding (MOU) indicating willingness to dissolve the Baldwinsville Fire Protection District and enlarge the Lysander Fire District to absorb the previous area serviced by BFD. The specific details of the enlargement do not have to be included in the MOU. However, an operational framework for a combined entity should be conceptualized and developed prior to proceeding to Step 2.
- 2) Upon completing Step 1 above, approval to dissolve the Baldwinsville Fire Protection District and enlarge the Lysander Fire District to absorb the previous area serviced by BFD should be secured in the form of a formal MOU involving the Town of Lysander and Town of Van Buren. To accomplish Step 2, securing appropriate legal counsel to facilitate this step is a prerequisite. The value of the MOU would be to provide clear guidance to everyone involved as to what would take place, and when.

While awaiting approval in Step 2, the Baldwinsville FD and the Lysander Fire Department should form various review teams, composed of internal stakeholders from both entities, to begin the planning phase associated with a merger. Each team must identify objectives that are clearly defined and establish timelines with a plan of action to ensure that everyone involved is working towards the same end. The type of review teams would include but not be limited to:

- A) Operations – primary purpose would be to review existing operational structures and standard operating procedures of each entity and recommend a combined operational structure along with standardizing operational procedures.
 - B) Financial – primary purpose would be to review existing accounting records and procedures, recommend standardized accounting procedures and policies, and recommend a fiscal staffing structure to discharge fiscal responsibilities.
 - C) Personnel – primary purpose would be to develop a strategy for retention of existing volunteers, recruitment of new volunteers, review existing LOSAP for each entity, recommend a standardized LOSAP and develop the criteria for selecting a third-party administrator for the administration of the new LOSAP.
 - D) Facilities, Apparatus and Equipment – primary purpose would be to develop a complete inventory of existing assets, current condition, redundancy, and future needs to serve as the basis for the development of a long-term capital plan.
 - E) Communications/Information – primary purpose would be to develop a communications/information plan that serves as a “single voice” explaining the enlarged entity to internal and external stakeholders.
- 3) The next step would be for the Village and Town(s) to conduct hearings, draft the legal documents and eventually enact the legal documents necessary to form the enlarged district.
 - 4) Once the governmental entities have authorized the dissolution/enlargement and set a date for

the establishment of the enlarged Fire District, a District Commission could be appointed and the leadership of the two fire entities could take the practical steps for implementing the enlargement.

- 5) Prior to the effective date of a consolidation, dissolution of the Smokey Hallow Fire Protection District is required. The Town of Lysander and the Lysander Fire District Board of Fire Commissioners would hold a joint public hearing describing the proposed action. The Town of Lysander would vote to dissolve the Smokey Hallow Fire Protection District and add it to the existing Lysander Fire District by formal action taken by the Lysander Fire District Commissioners to add the former Smokey Hallow Fire Protection territory in writing. If the dissolution of the Fire Protection District or the expansion of the Lysander Fire District results in either the Town or Village to incur debt, permission must be obtained from the New York State Comptroller. A resolution by either the Town and/or Village to assume debt and disposal of assets or turnover of assets to the Lysander Fire District would be required.
- 6) Prior to the effective date of a consolidation, the dissolution of the Northern (Baldwinsville) Fire Protection District is required. The Town of Van Buren and the Lysander Fire District Board of Fire Commissioners would hold a joint public hearing describing the proposed action. The Town of Van Buren would vote to dissolve the Northern (Baldwinsville) Fire Protection District and add it to the existing Lysander Fire District in writing. If the dissolution of the Fire Protection District or the expansion of the Lysander Fire District results in either the Town or Village to incur debt, permission must be obtained from the New York State Comptroller. A resolution by either the Town and/or Village to assume debt and disposal of assets or turnover of assets to the Lysander Fire District would be required.
- 7) It should be noted that since both contracts that are in effect with the Baldwinsville Fire Department expire on 12/31/12, it would be most practical to have the proposed dissolutions to be effective on this same date and then the proposed combined entity could take over. Since Lysander Fire District is a fire district, the current existing debt would stay within its existing borders. The BFD is contractual so its debt would still exist with its contracts. The way to provide for this would be determined by what the debt was originally incurred for; examples include:
 - A. Buildings – The newly enlarged Lysander Fire District would rent the structure. The amount of rent would be equal to the amount of the mortgage payment and any associated costs to cover the debt service.
 - B. Equipment/Trucks – A lease agreement could be drawn up so the payments would equal the amount of the debt service to maintain said equipment.

To aid all parties in the merger/consolidation process, a copy of NY State Town Law Section 11-a, titled “Joint Fire Districts in Towns and Villages” is included in the Appendix of this report. While separate joint meetings of the governmental agencies to dissolve both the Smokey Hallow Fire Protection and Northern (Baldwinsville) Fire Protection territories are recommended, it may be feasible to hold a single, joint meeting of the Town of Van Buren, the Town of Lysander, and the Lysander Fire District Board of Fire Commissioners since these Fire Protection Districts adjoin the Lysander Fire District. It is recommended to seek legal counsel opinion to ensure a single, joint meeting is permitted for the dissolution and alteration of boundaries of a fire protection district.

Also included in the Appendix of this report is a publication entitled “How to Consolidate Fire Protection in Fire Districts, Fire Protection Districts and Villages”. Since consolidation is a complex process, this “How To” guide contains information to assist local officials in the consolidation process. It is imperative that any decisions concerning consolidation and dissolution of existing fire entities be overseen by competent legal advisors, specifically those who have extensive experience pertaining to fire entities.

A third reference source included in the Appendix is the “Summary of The New NY Government Reorganization and Citizen Empowerment Act”.

In addition to the above referenced items in the Appendix, additional information and resources supporting and assisting fire entities and municipalities considering or implementing cost-sharing and/or consolidation efforts can be found on the New York State Commission on Local Government Efficiency and Competitiveness website (<http://www.nyslocalgov.org>).

The following is a list on what items need to be reviewed and eventually merged into a combined organizational structure. A key item in setting up the combined structure is to maximize internal and financial control systems (as previously indicated) and to ensure the needed governance policies and administrative regulations are in place to facilitate a successful merger.

- A) Establish 10 year capital improvement program projecting facilities, apparatus, equipment, and staffing needs, and incorporating phase out of excess apparatus and equipment.
- B) Standardize the specifications for equipment and apparatus that is purchased.
- C) Review, consolidate and standardize administrative and fiscal policies including but not limited to:
 - 1. Mission, Vision, Strategic Planning, Goals & Objectives
 - 2. Method of Accounting
 - 3. Procurement
 - 4. Bidding
 - 5. Travel
 - 6. Entertainment
 - 7. Petty Cash
 - 8. Use of Credit Card
 - 9. Debt
 - 10. Leases
 - 11. Compensation and benefits including LOSAP
 - 12. Membership Requirements
 - 13. Recruitment of Members
 - 14. Code of Conduct
 - 15. Sexual Harassment
 - 16. Discrimination
 - 17. Risk Management – Insurance, e.g. worker's compensation, liability, etc.
 - 18. Budgeting – Process, Timeline, Control, and Reporting
 - 19. Use of Vehicles and Vehicle Replacement
 - 20. Disaster Recovery of Electronic Information, e.g. accounting records

21. Use of Operating Fund Balance
22. Banking & Investment
23. Check Signing Authority
24. Code of Ethics
25. Capital Reserve Fund
26. Asset Capitalization Threshold
27. Disposal of Assets
28. District Records and Record Retention
29. Internet and E-Mail Usage
30. Use of Foreign Fire Insurance “Two Percent” Money
31. HIPPA
32. Donations and Gifts
33. Auditing
34. Financial Reporting

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PART II

FINANCIAL ASSUMPTION, CONDITION, IMPACT & ESTIMATES

Each entity has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the community. In these times of tight budgets, and of limited or negative growth in the tax base, each entity needs to ensure that it is capable of adequately funding and providing those core services desired by the community. Ultimately, each entity's reputation and success will depend on the public's awareness and acceptability of the management and delivery of these services and the fiscal stewardship of each entity entrusted with public funds.

This section of the report will provide a comparative snapshot of historical financial results and provide a projection of what a merged/consolidation organization will look like if a merger/consolidation occurred assuming that the organizational structure and working conditions remain as potentially proposed. Actual costs would hinge upon the exact type of organizational structure that would be in place after a merger/consolidation was implemented and how the new merged/consolidated entity would operate.

FINANCIAL ASSUMPTIONS

To project costs, several assumptions were utilized. One assumption was The Consumer Price Index (CPI). The CPI is often used to project the rate of inflation. Our analysis assumed the CPI will increase an average of 2% per year. This rate is used for analytical purposes during this financial review and the use of this value is an estimate to project potential cost trends. However, the actual CPI for a given year could be higher or lower.

To facilitate the analysis, the projection assumed the continuance of the paid, part-time administrative support positions utilized by each entity.

Both entities have existing debt. The projected costs assume no additional debt will be incurred prior to the merger/consolidation. However, it is reasonable to conclude future debt would be incurred especially for costly capital apparatus whether a merger/consolidation did occur or not.

Another assumption was the avoidance of some costs normally associated with a merger/consolidation. A "new entity" may have a different name than what exists currently. This name of the new entity is for governance and legal purposes only and as a result, costs such as new logos, stationary, uniform emblems, and signs will be avoided. Each entity will retain their existing name for community identity purposes.

Revenue is a key component in forecasting a merger/consolidation. The projection assumed no additional or new streams of revenue prior to a merger/consolidation. Also, the projection assumed the type of revenue received in developing the baseline would remain the same. However, it should be noted the type of revenue streams may change in the future and at this time, it is difficult to exactly predict what the impact will be on future revenues due to the property tax cap. Since property tax is the primary source of revenue, the predictability of this revenue is critical to the sustainability of both

entities and if a merger/consolidation were to occur, revenue will play an integral role in the sustainability of the combined entity.

Also, it should be noted that not all costs and revenue are constant and predictable. For example, unusual equipment repairs and costs incurred due to a peril or emergency may occur unexpectedly. Not all costs increase because of inflation. Since both entities have a Volunteer Pension Fund (LOSAP), the cost incurred is not based on inflation. Rather any actual LOSAP cost would be based on length of service and the number of volunteers that would satisfy the requirements established by the entity. For projecting costs, it is assumed a LOSAP will continue should the entities merge/consolidate. The current eligibility criterion was utilized for projection purposes.

The primary source of information utilized to make the projections were budgets and audits of each entity. A three-year historical trend was developed creating a baseline. The baseline permits a comparison of existing fiscal policies of each entity to the “what if” of a merger/consolidation.

And finally, an analysis of the fiscal health of both entities with a focus on the Balance Sheet, specifically debt, and the Budget process was done in an attempt to determine if the financial resources of both entities would be sufficient to support the fire service mission if a merger/consolidation were to occur. Additionally, if a merger/consolidation were to occur, would there be sufficient resources to sustain the merger/consolidation.

FINANCIAL CONDITION

To assess the financial condition or fiscal health of each entity, BFD and Lysander Fire District provided multiple years of Audits, Budgets, and Unaudited Operating Statements. These documents served as the primary source of fiscal information for the analysis.

BALANCE SHEET ANALYSIS

When reviewing the FY 10 Audit (Jan 1 – Dec 31, 2010) for each entity, it was noted that each entity utilizes different methods of accounting. Per the auditor, the Lysander Fire District does not record depreciation of assets, yet Baldwinsville does. Rather than reconstruct the statements for Lysander, the actual numbers appearing for fixed assets in the FY10 audit were used for Lysander since depreciation is a non-cash expense and merely represents the loss in value of an asset over time. Had depreciation been factored into the analysis, the assets and fund balance for Lysander would be less.

To determine if there were sufficient financial resources available to support a merger/consolidation, the FY10 Audits were utilized. The Balance Sheet of each entity was reviewed. The Balance Sheet is a snapshot of an organization at a particular point in time, the balance date. In this case, the balance date was as of December 31, 2010.

The General Fund or Operating Fund is used to conduct basic fire service operations. The FY10 Audit General Fund Balance Sheet for each entity is listed below

TYPE	LYSANDER FD	BALDWINSVILLE FD	COMBINED
ASSETS	\$2,356,992	\$4,388,980	\$6,745,972
LIABILITY	\$159,308	\$3,518,168	\$3,677,476
FUND BALANCE	\$2,197,684	\$870,812	\$3,068,496

It should be noted in FY10 Lysander had a negative operating result due to an unanticipated and large equipment repair. Also, had Lysander accounted for depreciation, the true asset and fund balances would have been less. Due to the lack of a complete equipment and facility inventory, asset and fund balances could not be accurately re-stated.

Also, from an unrestricted cash position, Baldwinsville FD has a stronger position. As of December 31, 2010 Baldwinsville had a cash position of \$241,734 that could be used to sustain fire service operations into the future while Lysander Fire District had \$671 for the same purpose. From a cash perspective, Baldwinsville FD is a much healthier operation and one could conclude that Lysander Fire District may experience cash flow issues at times, specifically when experiencing unusual, large, and unbudgeted expenditures such as equipment repair. This did occur in FY10 when Lysander Fire District had an unusual and unplanned equipment repair expenditure which resulted in an operating deficit and a cash flow problem requiring Lysander Fire District to borrow cash from a capital reserve fund. As a general rule, borrowing cash from a capital reserve fund should only be utilized in extreme cases to cover operational costs.

DEBT

Both entities have existing debt but may have difference philosophies and financial resource capacity as to the use of debt. Simply stated, debt is money owed by an entity to another, e.g. bank or bondholder. Debt can be long term, which means it will be repaid over several years or short term, which will be repaid in less than one or two years. Debt is neither good nor bad, but it is important to know how the money was spent and whether the entity has sufficient funds to repay the debt without imposing undue hardship on taxpayers.

Generally, debt, even though interest payments for debt service add unnecessary expenses to the cost of acquiring a capital need, will be considered as the preferred option for larger one-time capital needs and should only be used on fixed assets with a substantial useful life (Land, Buildings, or Apparatus). Debt is also used if financing by setting cash aside would be impractical or disruptive to the budget to conduct general operations.

Maintaining a healthy ratio of debt is an important tool in sound and prudent financial planning. Certainly, keeping the total debt amount in perspective with the value of assets is important. The table below demonstrates the debt balances of each entity:

	LYSANDER FD	BALDWINSVILLE FD	COMBINED
As of 12/31/10	\$154,305	\$3,333,853	\$3,488,158

The amount of debt an entity has could adversely impact on future operational budgets. For example, according to the FY10 Audit, 87 percent of the Baldwinsville FD revenues were provided by two government contracts. These contracts are funded by taxes. With the uncertainty of the recently adopted property tax cap, it is possible future revenues will not increase or be maintained at the same level. Should this occur, debt service, which is defined as the amount of principal and interest that must be paid each year, will reduce the expenditure flexibility for future operations.

According to the ICMA (International City-County Management Association), debt service under 10 percent of net operating revenue is considered to be acceptable while anything approaching 20 percent is considered excessive. As debt service increases as a percentage, there could be a direct, adverse impact on credit ratings and ultimately increase the cost of future borrowing. The worst case scenario could be a debt ratio so excessive it may preclude future borrowings.

Utilizing the FY10 Audit, the following table demonstrates the percent of debt service to operating revenue:

FY10	LYSANDER FD	BALDWINSVILLE FD	COMBINED
Debt Service	\$50,494	\$194,676	\$245,170
Operating Revenue	\$219,987	\$892,187	\$1,112,174
Percentage (rounded)	23%	21%	22%
		Debt service only includes principal	

In the case of the Lysander Fire Department, the November 2011 operational study conducted for the Lysander Public Safety Committee indicated the Lysander Fire Department was at risk as an organization for long-term survival. One contributing factor, although there were others, centered on facility and apparatus needs not keeping pace. This suggests, based on the December 31, 2010 cash and fund balance position, Lysander may have to seek additional funds or utilize debt to continue providing the required services and meet increasing Federal and State mandates. Neither alternative is desirable.

During our analysis it was difficult to ascertain whether either entity utilized a budgeting concept that other fire entities use to address future debt. To combat or mitigate the need for future debt, the annual budgeting process may need to be revised. Many fire entities, in preparing their annual operating budget, include an amount to be set aside or reserved for specific purposes usually involving future capital needs including new apparatus acquisition, facility upgrades, or the acquisition of facilities. The benefits of this budget technique are two-fold.

First, this budgeting method generally has a leveling effect on future tax increases. As important, failure to set aside funds may eventually result in a significant increase in taxes to meet future capital acquisition needs. However, the 2% property tax cap may adversely impact the amount of any future tax increase. Should this occur, it is possible acquisition of needed equipment and apparatus could be in jeopardy without adversely impacting operational funding available to provide necessary fire services.

Second, it reduces the actual cost of future debt by either reducing the amount that needs to be borrowed or the length of borrowing or both. As a result, the actual amount of interest to be paid will be contained or mitigated. This is beneficial to future operational budgets since future, non-debt operational costs will be increasing.

To ensure future debt does not become burdensome, the need to prepare cash flow statements is essential. Based on our limited access to information, we could not ascertain if the preparation of cash flow statements is currently being done by either entity. If not, cash flow statements need to be prepared regularly. To illustrate this, the following depicts future debt obligations, excluding interest, reported in the FY10 Audit:

YEAR	LYSANDER FD	BALDWINSVILLE FD	COMBINED DEBT
2013	\$41,910	\$237,066	\$278,976
2014	\$28,575	\$225,029	\$253,604
2015	Based on amount to be borrowed	\$240,855	Unknown
Thereafter	Based on amount to be borrowed	\$2,167,329	Unknown

The ability to service future debt, at least through 2014, appears to be good. However, beyond 2015 and without knowing the exact apparatus and capital needs as a combined entity, the ability to do so will be contingent upon maintaining existing revenue streams, generating additional revenues within the limitations of the property tax cap and accurately projecting future operating costs.

To service existing and future debt, often a Debt Ratio analysis is utilized. When the Debt Ratio becomes greater than 1.0, the ability to encumber assets or commit to future debt may be adversely impacted. The formula to determine Debt Ratio is:

$$\text{Debt Ratio} = \text{Total Debt} / \text{Total Assets.}$$

As of December 31, 2010, Baldwinsville FD had debt totaling \$3,333,353 and assets totaling \$4,388,980. As of December 31, 2009, the Baldwinsville FD debt was \$3,696,357 and assets were \$4,587,926. For both fiscal years, the debt ratio was less than 1.0, an indication of the Baldwinsville FD to commit to future debt was favorable provided existing revenue streams are not reduced, replaced, and remain stable.

In the case of Lysander Fire District, as of December 31, 2010 the total debt was \$154,305. However,

since the Lysander Fire District did not account for depreciation of assets, calculating a debt ratio may have provided for a skewed and misleading Debt Ratio. The fact that the Lysander Fire District had an operating deficit in FY10 and insufficient cash, requiring a loan from the Capital Reserve Fund, are troubling signals about future debt capacity.

Also, it is generally viewed that increased debt service, as a percentage of operating revenue, is a warning trend that ultimately will impact on the ability to provide operational services. It is for this reason, should a merger/consolidation occur, the combined entity engage in a long-term (5-10 years) planning process, updated annually, to be able to meet future acquisition and financing of equipment, apparatus, and facilities. Without doing so, securing the appropriate financing without adversely impacting on operations may be extremely challenging.

NET ASSETS

Another measure of fiscal health is net assets. Net assets are the difference between assets and liabilities. Over time, increases or decreases in net assets are an indicator of whether an entity's financial health is improving or deteriorating.

As of December 31, 2010, the net assets of the Lysander Fire District revealed a decrease of \$7,061, resulting in an operating Fund Balance of (\$4,332). It should be noted, as of December 31, 2008, the operating Fund Balance was \$17,799. Since achieving this high watermark in 2008, the operating fund balance has shown a decreasing trend. As was the case in FY10, Lysander Fire District had an operating decrease of \$15,070 in FY09. This is a very troubling signal as to the fiscal health of the Lysander Fire District. Without question, if the past structural deficits were to continue in the future, operational and fiscal sustainability of the Lysander Fire District would be doubtful.

The Baldwinsville FD also had a decrease in net assets for FY10. The decrease was \$20,757. Unlike the Lysander Fire District, the decrease was contributed to a one-time, unbudgeted legal settlement resulting from a 2006 legal dispute in the amount of \$85,000. While a second legal payment is scheduled to be made in FY11, the payment has been included in the FY11 Budget. For FY09, Baldwinsville FD had an increase in net assets of \$17,980.

Overall, Baldwinsville FD has had a trend of increasing net assets in a gradual fashion. As a result and coupled with the fact Baldwinsville FD has received unqualified audit opinions, the general fiscal health is good but it may face challenges in the future should undertaking future debt not be strategically planned.

BUDGETING

Each year, each entity prepares an Operating Budgeting. Developing an annual Operating Budget, sometimes referred to as the amount required conducting the day-to-day operations, is a critical undertaking. The process of developing a budget should incorporate a long-term perspective and a system of identifying resources and allocating those resources among competing purposes and needs.

The budget must be a balanced one, meaning that planned expenditures are equal to or less than current revenues and those ongoing expenditures will only be paid for with ongoing revenues. The budget should not postpone expenditures, use one-time (non-recurring) revenue sources to fund ongoing (recurring) uses or use external borrowing for operational requirements.

The budget should include detailed estimates of revenues to be received and expenditures to be made during the fiscal year. Also, the budget should be in the format prescribed by the Office of the State Comptroller, which includes detailed estimates of the revenues to be received and expenditures to be made during the fiscal year and an estimate and breakdown of fund balance, both reserved and unreserved.

A good annual budget begins with sound estimates and well-supported budgetary assumptions. Spending levels and financial resources must be accurately gauged at budget preparation time to ensure that planned services are properly funded. A significant amount of time and effort needs to be expended in preparing the annual budget. The additional effort spent on preparing an accurate and realistic budget generally reduces the risk of having to make adjustments later in the year or in future years. The budget also should provide adequate cash flow for operations without relying on unauthorized sources like capital reserves.

Budgeting is not an exact science. However, adopting the same budget year after year with small cost of living adjustments and not utilizing sound and reasonable assumptions may result in undesirable outcomes. It certainly is not good fiscal management. A budget process utilizing past trends, anticipating future needs, and developing strategies to identify future financial challenges and opportunities should result in the desired outcomes.

The development of the budget is one step in the budgeting process. All budgets need to be regularly monitored after adoption. By doing so, monitoring will provide crucial information that may highlight unexpected areas that may need immediate attention. The monitoring of a budget should occur regularly and preferably on a monthly basis. While comparing actual results to the planned budget for the current year is acceptable, including actual expenditures from previous fiscal year (one at a minimum), allows for better analysis and transparency of results.

In performing the analysis, three years of budgets were provided. Upon initial review, we discovered some noticeable items.

In some cases, the totals of the expenditure categories did not add up to the total of individual expenditure lines. In one case, a loan for apparatus was included as revenue. As a result, we could not ascertain if balanced budgets were proposed and whether balance budgets were adopted.

Also, these areas of concern brings into question the process utilized by each entity in developing the budget. However, it is apparent each entity needs to review their budget development process to ensure the budget being developed, proposed, and adopted are fiscally sound in nature. We were unable to ascertain whether Baldwinsville FD budgeting process complies with the requirements established by the State for fire entities.

As part of the budget analysis, we looked at selected items for accuracy, i.e. adopted versus actual. In reviewing the Baldwinsville FD, it appears the budgets provided were budget summaries. Certain revenue and expenditure items in the adopted FY 2010 budget were not delineated. Thus, the budget

documents were not as transparent as they should be for public use.

For example, the adopted Baldwinsville FD FY 2010 budget included \$50,897.52 under the category “Chief’s Budget”. Apparently, this budget allocation is under the purview of the Chief to be spent in accordance with some undetermined criteria. As a result, our analysis could not determine the actual use of these funds.

Also, in the adopted Baldwinsville FD FY 2012 budget, \$90,000 was included as income from a loan for apparatus and equipment. As an offset, \$21,510 appeared as an expenditure for a proposed equipment loan. Since proceeds are not viewed as revenues in accordance with generally accepted accounting principles, it brings into question whether a balanced budget was proposed and a balanced budget adopted.

Based on a review of several budget years, it appears the budget process utilized by the Baldwinsville FD is based on the cash basis method of accounting, not the modified accrual method of accounting. In accordance with the Office of the State Comptroller, Fire entities with \$500,000 or more of revenues (excluding borrowings) are required to maintain their accounting records and report their financial activities on a double-entry modified accrual basis of accounting, and account for current assets, current liabilities and fund balances of the district. Revenues will be recognized in the accounting period in which they are available and measurable, and expenditures will generally be recognized in the accounting period in which the liability is actually incurred. Baldwinsville FD should adopt a budgeting process that utilizes the same method of accounting.

Lysander Fire District is a Fire District with less than \$500,000 of revenues (excluding borrowings) that maintains their accounting records and reports their financial activities to the Office of the State Comptroller on a single-entry cash basis of accounting and is required to report cash and fund balances for each of the districts’ operating funds. Our analysis of the Lysander Fire District budget process indicated Lysander Fire District does, for the most part, adhere to the budgeting requirements, including the use of the appropriate budget format prescribed by the State.

However, it did appear Lysander Fire District utilizes an incremental budgeting process that may not have relied upon historical trends and future forecasts. As a result, while all proposed and adopted budgets were balanced, the use of incremental budgeting may not be the best budgeting process for Lysander Fire District. This weakness was clearly evident in FY 2010 when Lysander Fire District had an operating deficit due to an unbudgeted equipment repair. It also appears, based on a review of the FY 2009 Audit report, an operating deficit occurred. Unlike FY 2010, we couldn’t identify a specific reason(s) for the deficit.

FUND BALANCE/NET ASSETS

Another barometer used to assess the fiscal condition or health of an entity is the Fund Balance, more specifically the unrestricted general operating fund balance. Often referred to as a “rainy day” account, the fund balance is the difference between current assets and current liabilities. Unreserved fund balance, also called “fund balance available for appropriation,” is the maximum amount that can be used to finance expenditures in next year’s budget. Available fund balance is also considered a non-recurring financial resource that provides an entity with flexibility. Once used, it is difficult to replace.

As a result, it should be protected and maintained at a reasonable level to provide for emergencies, unforeseen shortfalls in revenue, or to take advantage of unforeseen opportunities.

As a general rule of thumb, the unreserved fund balance should be maintained between 5 and 15 per cent of the annual operating budget. For example, an annual operating budget of \$200,000 should have a targeted fund balance of between \$10,000 and \$30,000.

The annual operating budget for the Lysander Fire District has ranged between \$208,000 (FY 2008) and \$221,000 (FY 2011). Using the FY 2011 operating budgeting amount, a targeted fund balance between \$11,000 and \$33,000 would provide the Lysander Fire District with a reasonable unrestricted fund balance level.

Using the actual operating fund balances from annual audits, the chart below depicts the operating fund balances for the Lysander Fire District:

FY 2007	\$14,426
FY 2008	\$17,799
FY 2009	\$ 2, 729
FY 2010	(\$4,332)

The above chart indicates a troubling operating fund balance trend. After achieving a high watermark in FY 2008, the operating fund balance has been decreasing. And based on FY 2011 budget documents, it did not appear the FY 2011 budget included any allocation to replenish the fund balance to a reasonable level for sustainability purposes.

Also, it should be noted that the Lysander Fire District experienced an operating deficit of \$15,070 in FY 2009 and an operating deficit of \$7,061 in FY 2010. Due to the unavailability of an audit report for FY 2011, the actual operating results could not be determined. As a result, the actual fund balance for FY 2011 could not be determined and whether the trend of operating deficits continued would impact the fiscal sustainability of the Lysander Fire District.

The analysis of the Baldwinsville FD unrestricted operating fund balance did indicate a different fiscal position than Lysander. Using the FY 2010 audit document, the Baldwinsville FD had a FY 2009 fund balance of \$882,099 and a FY 2010 fund balance of \$842,839. As a result, the Baldwinsville FD unrestricted fund balance does demonstrate the ability to meet unplanned expenditures or revenue shortfalls should they occur in the future. The outlook for sustainability is very positive.

However, some may view the amount of fund balance to be excessive in nature. In this case, transfers to the Capital Reserve fund should be considered resulting in the need for less debt in the future. Another option would be to use the fund balance to mitigate property tax increases.

LYSANDER FD – REVENUE AND EXPENDITURE ANALYSIS

The following table depicts the historical actual revenue for the Lysander Fire District from 2008 to 2010 and budgeted revenues for 2011.

Lysander FD Historical Revenue, 2008 – 2011

INCOME	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET
Property Tax	\$208,598	\$211,403	\$214,500	\$216,500
Rental	775	1,305	5,262	5,250
Interest	114		225	
Grant		35,000		
Insurance Recoveries	3,285	1,517		
Sale of Property	171			
Total	\$212,943	\$249,225	\$219,987	\$221,750

NOTE: The FY 2009 actual total included a \$35,000 grant. Adjusting the FY2009 actual by eliminating the grant, the restated FY 2009 actual revenue would have been \$214, 225.

As part of the analysis to forecast revenues from property taxes, they were projected to increase by 2 percent. However, it should be noted the projected property tax increase may not be realized. Due to the lack of available information, it was not feasible to determine if property taxes could be increased by 2 percent for fiscal years 2012 through 2014 under the new property tax cap law. Nonetheless, using an annual increase of 2 percent for property taxes, the projected revenue exceeds the projected expenditures for the same time period. If the property taxes cannot be increased by 2 percent, it does appear that an increase of less than 2 percent would at least provide for a break-even operating result.

Also, it was assumed other revenues would increase at the rate of 2 percent with the following exceptions:

- 1) Grants, due to their unpredictable nature and the fact that grants are viewed as one-time revenue sources, future funding by grants was not considered in the forecast.
- 2) Since the sale of property and insurance recoveries may be one-time events between 2008 and 2010, they were not considered in the forecast since Lysander Fire District did not include an amount for each of these items in the FY 2011 budget.
- 3) To forecast interest, the average of FY 2008 and FY 2010 was included beginning in FY 2012.
- 4) Rental Income, since it uncertain, was level funded.

The following table depicts the forecast revenue for the Lysander Fire District from 2011 to 2014:

Lysander FD – Revenue Forecast, 2011-2014

INCOME	FY 2011 BUDGET	FY 2012	FY 2013	FY 2014
Property Tax	\$216,500	\$220,830	\$225,248	\$229,753
Rental	5,250	5,250	5,250	5,250
Interest	0	170	173	177
Total	\$221,750	\$226,250	\$230,671	\$235,180

Income is forecast to increase 2.9 percent over the four-year period 2011 to 2014. However, if the property tax revenues forecast cannot be realized because of the property tax cap, the projected revenue increase would be less than 2.9 percent.

The following table depicts the actual historical expenditures for the Lysander FD from 2008 to 2010 and budgeted expenditures for 2011:

Lysander FD – Historical Expenditures, 2008-2011

EXPENDITURE	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 BUDGET
Personnel Services	\$6,047	\$8,500	\$10,425	\$15,250
Equipment	10,938	11,431	17,948	12,400
Fire Fighting	183,510	162,444	118,225	108,450
Pension	9,967	4,145	6,800	10,000
Payroll Taxes	441	650	798	750
Employee Benefits	21,134	24,041	22,358	23,400
Debt	16,433	41,909	41,910	40,000
Interest	6,268	11,175	8,584	7,000
Transfers	(45,195)			4,500
Total	\$209,543	\$264,295	\$227,048	\$221,750

Note: The transfer in FY 2008 was from the Capital Project Fund and appears that the general operating fund paid the related debt & interest, was not included in the general operating fund budget and the funds to pay the debt & interest had been accumulated in the Capital Project Fund.

To forecast expenditures for the Lysander Fire District, all expense categories were increases by an estimated CPI of 2.0 percent with the following exceptions:

- 1) Because of the variable nature of certain expenditures, increases for the following were based on a two-year average, 2010 actual and 2011 budget:
 - A. Payroll Taxes
 - B. Equipment
 - C. Pension
- 2) No adjustment was made to long-term debt and interest. The amounts delineated in the FY 2010 audit were used and no consideration was given to any additional debt that may have been incurred in FY 2011 nor may be incurred in future fiscal years.
- 3) Any transfers that may be required were not considered. However, the amount budgeted in FY 2011 (\$4,500) was added to the FY 2011 Fire Fighting budgeted amount resulting in a revised baseline of \$112,950 for FY 2011.
- 4) The reduction in debt for FY 2014, in the amount of \$13,335, was added to the 2 percent CPI increase for fire fighter service in FY 2014.

The following table depicts the Lysander Fire District expenditure forecast from 2011 to 2014:

Lysander FD – Expenditure Forecast, 2011- 2014

EXPENDITURE	FY 2011 BUDGET	FY 2012	FY 2013	FY 2014
Personnel Services	\$15,250	\$15,555	\$15,866	\$16,193
Equipment	12,400	14,924	15,222	15,526
Fire Fighting	108,450	114,209	116,493	118,823
Pension	10,000	8,400	8,568	8,739
Payroll Taxes	750	774	789	805
Employee Benefits	23,400	23,868	24,345	24,832
Debt	40,000	41,910	41,910	28,575
Interest	7,000	5,324	3,357	1,341
Transfers	4,500			
Total	\$221,750	\$223,964	\$226,550	\$214,834

Expenditures are forecast to increase 2.9 percent over the four-year period 2011 to 2014. The forecast

increase would have been greater than 3.0 percent had the debt interest not decreased by \$5,659 over the same four-year period.

BALDWINSVILLE FD – REVENUE AND EXPENDITURE ANALYSIS

Using the FY 2010 audit and budget documents for FY 2011 and FY 2012, the following depicts the operating revenue trend for the Baldwinsville FD:

Baldwinsville FD - Operating Revenue Trend, 2010 - 2012

INCOME	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2012 BUDGET
Contributions	\$34,873		
Fund Raisers (net)	4,305		
Government Fees	800,021	\$776,022.08	\$791,542.52
Rental	20,000	20,000.00	20,000.00
Interest	7,725		
Miscellaneous	5,283		
Restricted Grants/Gifts	19,980		
Use of Fund Balance		47,789.63	
Loan Proceeds			90,000.00
Total	\$892,187	\$843,811.71	\$901,542.52

In analyzing the Baldwinsville FD revenue trend, a significant point worth mentioning was the inclusion of Loan Proceeds as a source of revenue. This is not an appropriate revenue source. This was confirmed in communications with the Baldwinsville FD Treasurer. As a result, whether the FY 2012 budget was balanced is questionable.

Also, Interest Income was included as a budget item in FY 2009 and FY 2010 budgets but excluded in the FY 2011 and FY 2012 budgets. This inconsistency in budgeting did not permit for determining a revenue trend for this income source.

Finally, the Baldwinsville FD budgets for FY 2009 through FY 2012 excluded fundraiser income, yet each year fund raising activities occur. Again, this inconsistent budget practice did not permit for determining a revenue trend for this source.

In forecasting revenues for the Baldwinsville FD, the following assumptions were used:

- 1) Contracts for Fire Protection Services would continue through FY 2014. The primary funding sources for these contracts are property taxes. A 2 percent increase was projected for FY 2013 and FY 2014.
- 2) Fundraising, as a source of income, was not included in the projected revenue even though fundraising activities are expected to continue.
- 3) The use of Fund Balance in FY 2011 is generally viewed as a one-time source of revenue. The use of Fund Balance in FY 2013 and FY 2014 was not included in the projected revenue.
- 4) The Loan Proceeds, included in the FY 2012 budget as a source of income, was eliminated in FY 2012 and offset by a reduction of \$90,000 in equipment expenditures for FY 2012.
- 5) Grants, gifts, contributions, and restricted donations were excluded in the projected revenue.
- 6) The existing lease, as a source of revenue, would continue through FY 2014 with no increase.

The following table depicts the forecast revenue for the Baldwinsville FD from 2011 to 2014:

Baldwinsville FD – Revenue Forecast, 2011-2014

INCOME	FY 2011 BUDGET	FY 2012 BUDGET	FY 2013	FY 2014
Government Taxes	\$776,022.08	\$791,542.52	\$807,475	\$823,625
Use of Fund Balance	47,789.63			
Lease	20,000.00	20,000.00	20,000	20,000
Total	\$843,811.71	\$811,542.52	\$827,475	\$843,625

Income is forecast to remain rather level over the four-year period 2011 to 2014. The forecast is skewed by the use of Fund Balance in FY 2011.

Also, it should be noted that the income for providing fire protection services to other Fire Protection Districts is not guaranteed. Generally, these are annual contracts subject to renewal. The predictability of renewing these contracts is uncertain. Also, since these contracts are funded by property tax, any increase resulting from the renewal could be less than the forecast increase of 2 percent due to the property tax cap law.

Finally, in communications with the Baldwinsville FD Treasurer, it was confirmed the Government Fees budgeted for FY 2009 through FY 2011 revealed a decreasing trend in the contract amount. Apparently, these fees were used as a revenue source to secure debt requiring the Baldwinsville FD to front-load the revenue in fiscal years preceding FY 2009, resulting in the FY 2011 Government Fees to be lower than previous fiscal years.

Using the FY 2010 actual and budgets for FY 2011 and FY 2012, the following table depicts the

Baldwinsville FD expenditure trends from 2010 to 2012:

Baldwinsville FD – Expenditure Trend, 2011- 2012

EXPENDITURE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2012 BUDGET
Personnel Services	\$15,000	\$15,000.00	\$7,500.00
Equipment	42,052	167,599.95	189,109.95
Fire Fighting	248,897	209,350.00	206,300.00
Pension	38,865	42,000.00	42,000.00
Debt/Interest	362,633	202,882.76	202,882.76
Insurance	121,453	112,979.00	118,235.00
Legal Settlement	85,000	89,250.00	
Reserve – Capital			45,514.81
Total	\$913,900	\$839,061.71	\$819,042.52

In analyzing the expenditure trend for the Baldwinsville FD, it should be noted the budget does not include an item for interest expense on debt. Rather, the budget includes an item labeled as Debt. Since a debt schedule, delineated the principal and interest for each fiscal year was not provided, the budget amount for debt was viewed as interest expense. A principal payment is a reduction in liabilities, not expenditures for budgeting purposes, and impacts cash flow.

Also, in FY2010 the Baldwinsville FD borrowed \$750,000 to pay off three capital leases loans lowering the interest expense for FY 2010 and future years while also annually reducing principal payments in excess of \$125,000 through FY 2013.

To forecast expenditures for the Baldwinsville FD, all expense categories were increased by an estimated CPI of 2.0 percent with the following exceptions:

- 1) Because of the variable nature of certain expenditures, increases for Pensions (LOSAP) were fixed at the FY 2012 budget amount.
- 2) No adjustment was made to long-term debt and interest. The amounts delineated in the FY 2010 audit were used and no consideration was given to any additional debt that may have been incurred in FY 2011 nor may be incurred in future fiscal years. Also, since amortization schedules were not provided delineated principal and interest payments for existing debt, level debt service was utilized in the forecast.
- 3) Any transfers or reserves to capital were not considered. Transfers or reserves to capital are normally viewed as on-time items.

4) Legal Settlement payments ended in FY 2012.

The following table depicts the Baldwinsville FD expenditure forecast from 2011 to 2014:

Baldwinsville FD – Expenditure Forecast, 2011- 2014

EXPENDITURE	FY 2011 BUDGET	FY 2012 BUDGET	FY 2013	FY 2014
Personnel Services	\$15,000.00	\$7,500.00	\$7,650	\$7,803
Equipment	167,599.95	189,109.95	192,892	196,750
Fire Fighting	210,350.00	206,300.00	210,426	214,635
Pension	42,000.00	42,000.00	42,000	42,000
Debt/Interest	202,882.76	202,882.76	202,883	202,883
Insurance	112979	118,235.00	120,600	123,012
Legal Settlement	89,250.00			
Reserve – Capital		45,514.81		
Total	\$839,061.71	\$811,642.52	\$776,451	\$787,083

Over the four-year period of 2011 through 2014, based on the forecast assumption stated above and eliminating the one-time legal payment in FY 2011, expenditures are anticipated to increase by approximately 5 percent.

PROFORMA ANALYSIS

Should the two entities merge, it is important to provide a fiscal picture of what the combined entity may look like fiscally. To do this, the revenue and expenditures forecast for both entities through FY 2014 were combined using the assumptions previously mentioned for each entity.

Also, the proforma analysis was based on both entities operating as they have in FY 2011 and does not consider any cost avoidance items, such as equipment redundancy, personnel, etc., should a merger occur after FY 2012.

It should also be noted the budgetary documentation provided by both entities to perform this analysis did contain some mathematical errors. However, they were not material in nature and have little impact on the outcome of the proforma analysis.

Finally, since an inventory list of apparatus and equipment inventory as to quantity and condition was not provided, procurement of additional equipment was not included in any forecast for either entity.

The following table depicts the formation of a combined entity had a merger occurred in FY 2011 utilizing existing FY 2011 budgets.

COMBINED ENTITY– Proforma 2011

INCOME	BALDWINSVILLE FY 2011 BUDGET	LYSANDER FY 2011 BUDGET	COMBINED ENTITY FY 2011
INCOME			
GOVERNMENT FEES (PROPERTY TAXES)	\$776,022	\$216,500	\$992,522
USE OF FUND BALANCE	47,790		47,790
LEASES (INCLUDES RENTALS)	20,000	5,250	25,250
INTEREST			
TOTAL INCOME	\$843,812	\$221,750	\$1,065,562
EXPENDITURES			
PERSONNEL SERVICES	15,000	15,250	30,250
EQUIPMENT	167,600	12,400	180,000
FIRE FIGHTING	210,350	108,450	313,550
PENSION	42,000	10,000	52,000
PAYROLL TAXES		750	750
EMPLOYEE BENEFITS		23,400	23,400
DEBT/INTEREST	202,883	47,000	249,883
TRANSFERS		4,500	4,500
INSURANCE	113,979		113,979
LEGAL SETTLEMENT	89,250		89,250
TOTAL EXPENDITURES	\$839,062	\$221,750	1,060,812
SURPLUS/DEFICIT	\$4,750	\$0	\$4,750

The following table depicts the formation of a combined entity had a merger occurred in FY 2012.

COMBINED ENTITY – Proforma 2012

INCOME	BALDWINSVILLE FY 2012 BUDGET	LYSANDER FY 2012 FORECAST	COMBINED ENTITY FY 2012
INCOME			
GOVERNMENT FEES (PROPERTY TAXES)	\$791,543	\$220,830	\$1,012,473
LEASES (INCLUDES RENTALS)	20,000	5,250	25,250
INTEREST		170	170
TOTAL INCOME	\$811,543	\$226,250	\$1,037,793
EXPENDITURES			
PERSONNEL SERVICES	7,500	15,555	23,055
EQUIPMENT	189,110	14,924	204,034
FIRE FIGHTING	206,300	114,209	320,509
PENSION	42,000	8,400	50,400
PAYROLL TAXES		774	774
EMPLOYEE BENEFITS		23,868	23,868
DEBT/INTEREST	202,883	47,234	250,117
TRANSFERS	45,515		45,515
INSURANCE	118,235		118,235
TOTAL EXPENDITURES	\$819,043	\$224,964	\$1,044,007
SURPLUS/DEFICIT	-\$7,500	\$1,286.00	-\$6,214
	DUE TO ERRORS IN THE FY 2012 BUDGET, IT MAY NOT BE A BALANCED BUDGET		

The following depicts the projected operating results of a combined entity with a merger occurring in FY 2013.

COMBINED ENTITY– Proforma 2013

INCOME	BALDWINSVILLE FY 2013 FORECAST	LYSANDER FY 2013 FORECAST	COMBINED ENTITY FY 2013
INCOME			
GOVERNMENT FEES (PROPERTY TAXES)	\$807,475	\$225,248	\$1,032,723
LEASES (INCLUDES RENTALS)	20,000	5,250	25,250
INTEREST		173	173
TOTAL INCOME	\$827,475	\$230,671	\$1,058,146
EXPENDITURES			
PERSONNEL SERVICES	7,650	15,866	23,516
EQUIPMENT	192,892	15,222	208,114
FIRE FIGHTING	210,426	116,493	326,915
PENSION	42,000	8,568	50,568
PAYROLL TAXES		789	789
EMPLOYEE BENEFITS		24,345	24,345
DEBT/INTEREST	202,883	45,267	248,150
INSURANCE	120,600		120,600
TOTAL EXPENDITURES	\$776,451	\$226,550	\$1,003,001
SURPLUS/DEFICIT	\$51,024	\$4,121	\$55,145

The following depicts the projected operating results of a combined entity with a merger occurring in FY 2013.

COMBINED ENTITY – Proforma 2014

INCOME	BALDWINSVILLE FY 2014 FORECAST	LYSANDER FY 2014 FORECAST	COMBINE D ENTITY FY 2014
INCOME			
GOVERNMENT FEES (PROPERTY TAXES)	\$823,625	\$229,753	\$1,053,378
LEASES (INCLUDES RENTALS)	20,000	5,250	25,250
INTEREST		177	177
TOTAL INCOME	\$843,625	\$235,180	\$1,078,805
EXPENDITURES			
PERSONNEL SERVICES	7,803	16,193	23,996
EQUIPMENT	196,750	15,526	212,276
FIRE FIGHTING	214,635	118,823	333,458
PENSION	42,000	8,739	50,739
PAYROLL TAXES		805	805
EMPLOYEE BENEFITS		24,832	24,832
DEBT/INTEREST	202,883	29,916	232,799
INSURANCE	123,012		123,012
TOTAL EXPENDITURES	\$787,083	\$214,834	\$1,001,917
SURPLUS/DEFICIT	\$56,542	\$20,346	\$76,888

Again, it should be noted that any assumptions used to forecast revenues and expenditures that may be deemed as unreasonable or not achievable, would have different operating results for a combined entity.

Legal Provisions to Establish a Joint Fire District

Article 11-A of the Town Law and Article 22-A of the Village Law provide for the establishment and operation of a Joint Fire District to provide fire protection services within its geographical boundaries. The provisions of Article 11 of the Town Law governing fire districts generally may apply to the extent that its provisions are not inconsistent with the provisions of Article 11-A. 2004 N.Y. Op. Atty. Gen. (Inf) No. 6; see Town Law §§ 189-a (2) (d), (3) (d), (4) (e), 189 – f.

The enabling legislation authorizes adjoining towns and villages located within those towns to create joint fire districts, provided that all territory in the joint fire district be contiguous. Town Law § 189-a (1); Village Law § 22-2100. Once created, the joint fire district “is an independent political entity serving the property and property owners included within the district.” 2004 N.Y. Op. Atty. Gen. (Inf) No. 6.

Establishing a Joint Fire District

To establish a joint fire district, each town board and each village board of trustees that a proposed Joint Fire District would contain must hold a joint meeting at a location within the proposed district to propose and discuss the establishment of a joint fire district. Town Law § 189-a (2) (a). If the respective boards of each town and village determine by majority vote to make a proposal to establish a joint fire district, each board must within 30 days hold a joint public hearing at one location within the proposed district. Town Law § 189-a (2) (b). Notice of such public hearings must be published, posted and served by mail as provided in Town Law § 189-a (2) (b). After public hearings, if the boards of each town and village determine that it is within the public interest to establish such a joint fire district, “subject to permissive referendum, each town board and village board of trustees shall by resolution, duly adopted by a majority of each board, establish a joint fire district.” Town Law § 189-a (2) (c). The procedure for adding a portion of the territory of an adjoining town to a joint fire district prior to the establishment of the district, but after the joint meeting for the establishment of the original joint fire district, parallels the requirements of § 189-a (1) and (2). Town Law § 189-a (3).

Recording Requirements

Within 10 days of the establishment of a joint fire district, the clerk of such town or village designated by the town and village boards participating in creating the joint fire district must cause a certified copy of the determination to establish a joint fire district to be filed with the State Department of Audit and Control in Albany, NY, and to be recorded in the county clerk’s office. Town Law § 189-d. Once recorded, there will be presumptive evidence of the regularity and validity of the creation of the joint fire district and of the acts of the joint fire district’s board of commissioners relating thereto. Town Law § 189-d.

Board of Commissioners

The property and affairs of a joint fire district are managed by a board of not less than three, but not more than seven, fire commissioners. Town Law § 189-e. The town and village boards, in their resolution to establish a joint fire district, may provide for the fire commissioners to be elected by the voters as provided in Town Law Article 11 or appointed jointly by the town and the village boards. *Id*; See 1991 N.Y. Op. Atty. Gen. (Inf.) No. 44 (stating that the determination to elect or to appoint fire commissioners is made at the time of establishing the joint fire district and may not be

reconsidered at a later date).

A joint fire district board of commissioners may exercise the same powers that fire district commissioners may exercise. Town Law § 189-f. Like a fire district board of commissioners, a joint fire district board of commissioners may make expenditures, collect revenue, dispose of and purchase property, elect officers, and contract with outside fire departments or volunteer fire departments to provide fire protection within the joint district. *See generally* Town Law § 176. For each fiscal year beginning January 1 the board of commissioners must prepare and adopt an annual budget. Within three days of its adoption, the board of commissioners shall deliver to the town clerk of each town and file with the village clerk of each village in which the joint fire district is located two copies of the annual budget. The joint fire district budget may not be changed by any town or village board or official. The method of assessment and collection of joint fire district taxes is as detailed in Town Law Section 189-h.

Extending a Joint Fire District

A joint fire district may be extended from time to time provided that the area to be included is contiguous with the already existing district, and not located in a city. Town Law § 189-a (4). To extend a joint fire district, the boards of each town and of each village encompassing any part of the proposed area where the joint district is to be expanded shall meet jointly to propose the extension of the district. Town Law 189-a (4) (a). The procedures for extending a joint fire district follow the procedures for establishing a joint fire district—after notice and public hearing, if the affected town and village boards determine it is in the public interest to extend the joint fire district, then subject to permissive referendum (or mandatory referendum if the newly formed joint district will sponsor a service award program), the affected town boards and the village boards of trustees, by resolution duly adopted by majority vote, shall extend the joint fire district. Town Law § 189-a (4) (b).

Dissolving an Existing Fire District, Fire Alarm District or Fire Protection District

If town boards and village boards of trustees determine to establish a joint fire district, and the territory within the proposed joint fire district is a part of an existing fire district, fire alarm, or fire protection district, the boards may dissolve the existing districts pursuant to § 185 of Article 11, except that the requirement for a petition shall not apply. Town Law § 189-c. Section 185 provides that after appropriate notice and public hearing, if it is in the public interest, the town board may dissolve the existing fire district, fire alarm or fire protection district. Town Law § 185 (1). In a case where a district comprises more than one town, any action to dissolve the district must be taken by the town boards acting jointly. Town Law § 185 (1-a).

If the district to be dissolved has been located within a village incorporated since the district was created, “all of the property of such district shall be and become the property of any fire corporation organized by the trustees of such village, and such village shall upon delivery thereof assume and pay all of the debts of such fire district. Town Law §185 (1). Where the district is not wholly located within one village incorporated since the district was formed, all the district property shall be sold at public sale and the proceeds first applied to any bonded or other indebtedness of the district, with any remaining proceeds to be credited to the taxable real property located in the district. *Id.*

In the event that there remains outstanding indebtedness, a sum sufficient to meet the principal and interest of such indebtedness shall be set aside as a sinking fund for the redemption of the indebtedness at maturity. If the proceeds of the sale of the district's assets are insufficient to redeem outstanding indebtedness at maturity, sums necessary to pay principal and interest to redeem the indebtedness at maturity, shall be levied and collected in annual installments from the district.

At the hearing on a petition to dissolve a fire protection district or a fire alarm district, the town board may terminate any contracts, then in force relating to fire protection, either at their expiration or forthwith. Town Law §185 (2). Once the town board determines to dissolve a fire alarm or a fire protection district forthwith, the contracts shall be terminated immediately upon the payment of any amounts that became due based on fire protection services provided prior to the district's dissolution. *Id.* Finally, nothing prevents a town board from merging a proceeding to dissolve an existing fire protection district with a proceeding to establish a new fire district that "embraces all or any portion of the territory contained within the boundaries of the fire protection district to be dissolved." Town Law § 185 (4).

Transfer of Capital Assets

The Board of Trustees of a village or the Board of Commissioners of a fire district lying entirely within the territory of the new joint fire district may authorize the transfer of an existing firehouse, including the land on which the firehouse sits, fire apparatus and other firefighting equipment to the newly formed joint fire district at such consideration, or no consideration, and upon such terms and conditions as the governing bodies of those entities determines are appropriate. Town Law § 189-b. The New York State Comptroller has cautioned that even though a village board may authorize the transfer of firefighting equipment to the newly formed joint fire district without consideration, "the village board may wish to take into account the village's continuing responsibility to pay interest and principal" for outstanding debt service on the equipment. 1991 Opns. N.Y. St. Cptr. No. 4.

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INTRODUCTION:

Fire departments in towns, villages and cities are exploring new ways to improve the delivery of fire protection services. Consolidation, through shared services or combining jurisdictions, can increase the efficiency and effectiveness of departments by allowing for the better use of resources and providing greater flexibility and capability. Consolidation may also result in cost savings due to the efficient use of resources and the reduction of duplicative efforts through reorganization.

While the concept of consolidation is not new, few fire departments have taken advantage of its benefits. Faced with increased costs and budgetary constraints, fire departments should consider consolidation or cooperating/joining services as a way to stabilize or reduce fire protection costs.

The driving force behind all decisions during the consolidation process should be the question: “What is in the public’s best interest?”

Fire departments should consider consolidation when any of the following factors are present:

- Fire protection services exist immediately adjacent to one another, each with a complete, and many times, duplicated set of resources, including apparatus, equipment, facilities, and staffing;
- Increasing demands at all levels of government for funding of essential services;
- Insufficient career staff or difficulty recruiting and retaining volunteer staff; and
- Increasing service requirements, including hazardous materials, technical rescue, emergency medical services, and terrorism and natural disaster preparedness.

Consolidation can be a complex process; therefore, interested entities need to have a plan. This “How to” guide contains information to assist local officials in the process of consolidation of fire services.

DEFINITIONS:

Consolidation

Operational Consolidation

Operational consolidation is the pooling of services, equipment, apparatus, and staff through intermunicipal agreements. Here, one or more duties normally performed by individual departments are joined together and carried out as one entity while each fire department remains legally and administratively separate.

Intermunicipal agreements must be entered into by the governing bodies and should outline the terms of the agreement. Such agreements would enable the parties to legally commingle their resources in order to achieve efficiency and economy.

Examples include:

- Joint staffing at fire stations;
- Combining training programs;
- Dispatching the closest resource to an emergency incident;
- Creating a central dispatch function;
- Allowing one organization to perform apparatus maintenance for another; or
- Pooling specialized resources, such as heavy rescue, hazardous materials, rope rescue and emergency medical services.

Jurisdictional Consolidation

Jurisdictional consolidation involves the dissolution of existing jurisdictions (i.e. fire districts and fire protection districts) to create a new jurisdiction (i.e. combined fire district, fire protection district, or a joint fire district). This process requires a complete merger or reorganization, in which the governing bodies of each jurisdiction must agree to dissolve the current jurisdictions and form a new single jurisdiction.

The parties involved must plan and develop new administrative and operating structures, including, but not limited to:

- Training standards and programs;
- Standard operating procedures;
- Response standards, including location of facilities, number of fire companies, response time, and staffing;
- Current indebtedness of each jurisdiction;
- Rank structure;
- Employee/member benefits, such as retirement systems and service award programs;
- Union contracts, if applicable; and
- Personnel policies.

Fire Entities

Fire Districts

A fire district is a political subdivision located within a town. Fire districts are established for the purpose of providing fire protection and response to emergencies. A fire district is political entity with an elected governing body, administrative officers, and expenditure limitations. A fire district is dependent on the town or towns as a means to its initial creation, extension and dissolution. A fire district has the power both to incur indebtedness and to require the levy of taxes. Fire district taxes are assessed, levied, and collected at the same time and in the same manner as town taxes.

Fire Protection Districts

A fire protection district is a geographical area of a town which is provided fire protection pursuant to contract with any city, village, fire district or incorporated fire company. It is an assessment area within which a town can provide limited services and assess the cost back against the taxable properties within the district. A town board can create a fire protection district, consolidate adjoining fire protection districts, alter the boundaries of a fire protection district, or dissolve a fire protection district on its own motion or by petition.

Fire Departments

In cities and villages, fire protection is commonly provided by a municipal fire department, composed of career and/or volunteer firefighters.

In towns, fire protection is not a municipal function but is provided by a fire district or pursuant to contract in a fire protection district. The fire department of a fire district encompasses all fire companies organized within the district, with the members appointed by the board of fire commissioners.

Fire Companies

Fire companies are subunits of a fire department. They may be a membership group of a fire department or incorporated as a membership corporation under the Not-for-Profit Corporation Law. The board of fire commissioners of a fire district may organize, operate, maintain and equip fire companies, and provide for the removal of the members thereof for cause.

Not-For-Profit Fire Corporations

A fire corporation is a special not-for-profit corporation formed to provide fire protection to a fire district, fire protection district or village under contract with the governing body (board of fire commissioners, town board, or village board of trustees). Fire corporations are under the control of the city, village, fire district or town authorities having control over fire protection in such areas.

Joint Fire Districts

Joint fire districts are created by the town board(s) and the board(s) of trustees of a village. Contemporaneously with the establishment of the joint district, the town board(s) and the village board(s) of trustees of each participating municipality shall, by local law, dissolve any existing fire, fire alarm or fire protection districts contained within the joint fire district.

WEIGHING THE OPTION TO CONSOLIDATE:

Benefits to Consolidation:

Consolidation should involve open and straightforward communication with all stakeholders. Interested fire entities and municipalities must review the needs, options, challenges, problems, advantages, negative aspects and expenses involved with consolidation. Successful cooperative efforts may lead to increased efficiency, improved effectiveness, enhanced or expanded services, reduced costs, cost avoidance, coordination of regional planning, elimination of artificial boundaries, and standardization of services and programs.

Some advantages of fire service consolidation may include:

- Improving response time;
- Maximizing purchasing power;
- Availability of career and volunteer members;
- Centralizing fire department management and reducing administrative costs;
- Centralizing the dispatching and communication network and other fire department support systems;
- Standardizing procedures for operation and training;
- Reducing the community's insurance premiums based on improvements in the insurance rating;
- Improving fleet management, such as having one central repair and maintenance facility for vehicles and apparatus; and
- Savings to taxpayers.

Negative Aspects of Consolidation:

When considering the option to consolidate, the advantages must be balanced against the possible disadvantages of engaging in a cooperative process. Possible negative aspects of consolidation revolve around the process itself, specifically:

- Perceived loss of local control
- Opposition by local politicians
- Differences in union contracts - wages, retirement systems, benefits
- Turf wars
- Reduced number of fire commissioners
- Loss of volunteer membership
- Perception that consolidation is being used as a way to eliminate positions

Further, one of the main concerns with consolidation is whether cooperating fire entities will be able to cope with underlying cultural issues, such as the color of the fire apparatus, the name on the fire stations, and the name of the organization on the side of the fire engine. Additional issues such as training standards and familiar operational procedures can also impede support for

consolidation. These cultural issues must be confronted honestly in order to ensure a successful consolidation.

Communication:

Communication is critical throughout the consolidation process. There are many issues which need to be addressed and resolved to ensure a successful consolidation. It is important to involve all the stakeholders (firefighters, residents, and elected officials) early on in the process.

The following strategies should be employed to ensure operational involvement:

- Keep all stakeholders informed of what is being done, who is doing it, and why
- Explain the advantages and disadvantages to consolidation and allow for open and honest communication
- Make sure that all meetings are open to all stakeholders
- Create task forces to develop administrative, legal, and operational plans for consolidation action

DETERMINING FEASIBILITY OF CONSOLIDATION:

Review and Evaluate:

The first step to determining the feasibility of consolidation is to conduct a complete review and evaluation of all the components in each organization. The programs, services and functions provided by each organization should be identified.

Some examples of what the evaluation should include are listed below:

- Organization Overview - Identify each organization's responsibilities, functions and lines of authority.
- Management - Compare management practices including staffing, mission statement, vision, strategic planning, goals and objectives and decision making process.
- Fire Suppression and Emergency Medical Services - Review areas specifically involved in, or affecting, service levels and performance. Areas to be reviewed shall include, but not necessarily be limited to, station locations, projected community development and growth and risk analysis. Review and make recommendations regarding the overall delivery and effectiveness of current and future code enforcement/fire prevention activities. Conduct risk analysis, including relationships between personnel, fire flows, equipment, training levels, capabilities, code enforcement and response time.
- Personnel Management and Staffing - The personnel management program shall be reviewed, focusing on policies, rules, regulations, and operational guidelines. Review the staffing levels of the agencies. Areas to be considered include utilization of career and volunteer staff, responsibilities and activity levels of personnel, training program goals and objectives, training competency, facilities, record keeping and certification.
- Capital Improvement Plans - Identify current and future needs relative to the purchase of necessary capital improvement items.

- Facilities - Review location of current station locations and future station considerations. Items to be contained in the report include future service demands, changing demographics, availability of volunteers and projected growth and trends.
- Apparatus and Equipment - Review and make recommendations in areas critical to apparatus and equipment. Items to be considered include, age, condition, serviceability, replacement schedule, distribution, deployment and maintenance practices.
- Fiscal Analysis - Review and analyze each department's budget and revenues to project future financial needs, current debt service and identify possible areas of short and long-term savings and costs.

Once the evaluation is completed then you can proceed with determining whether it is feasible to pursue some type of consolidation effort. While fiscal considerations are important, the main emphasis during the formulation of a feasibility report should be on improving efficiency and effectiveness and trying to deliver better services to the community. The feasibility report will ultimately answer the question of whether or not it is practical to proceed with some type of cooperative effort.

Thereafter, a plan of implementation should be developed. The implementation plan should include responsible parties, a schedule for completion and an analysis of the results. As part of this analysis, fire departments must take into consideration any existing local service award programs and labor agreements. Also, the fire departments will need to evaluate whether to merge or keep the existing fire companies.

Fire District Consolidation Case Study:

The Town of Moriah in Essex County is served by three volunteer fire companies: Moriah, Mineville-Witherbee and Port Henry. In 2006, Moriah's town supervisor invited the mayor and trustees of the Village of Port Henry and the officials of the three fire companies to participate in a study of consolidating fire services within the town.

Some objections that were initially raised at the public meeting regarding the consolidation of the fire departments included:

- The potential loss of volunteer members;
- Fiscal impacts, specifically, outstanding and future debt; and
- Fears that the district would be less eligible for grants and other types of funding if served by one, not three, departments.

The case study revealed several issues hindered the Town of Moriah and Village of Port Henry consolidation effort, including:

- The lack of formality of agreements in the past;
- The narrow focus on the immediate property tax impacts, not the long range impacts or options for operational consolidation; and
- The study was conducted by the locals; it was suggested that a third party should have undertaken the study to remove the emotional ties.

For future consolidation studies, it was suggested that the study be conducted, or at least facilitated, by an outside agency or consultant. Furthermore, it would be beneficial to develop a more formal platform for dialogue between the departments to assist in overall communication.

LEGAL PROCESS OF CONSOLIDATION:

Article 11 and Article 11-A of the Town Law describe the procedures and requirements for the consolidation of fire services in towns. These sections provide an outline of the major legal aspects of consolidation and address the individual process as it applies to fire districts, fire protection districts, joint-fire districts, and fire departments.

Consolidation of Fire Districts: (Town Law §§ 170, 171, 172, 172-a, 173 and 174)

Pursuant to Town Law § 172, where two or more fire districts adjoin, consolidation is possible. The town board of every town in which the fire districts are located must, acting jointly and by majority vote of each town, vote to adopt a resolution consolidating the fire districts. If the adjoining fire districts are located within the same town, only a majority vote of that town's board is required. Before any voting can take place, the town board(s) must receive either a written petition from land-owning resident taxpayers or a written petition of a majority of the members of the board of commissioners of each district. The town board(s) must then provide notice and hold a public hearing before the town board(s) take a vote.

Petitions (Election Law §§ 6-130, 6-132 and 6-134).

Where a citizen petition is used, the petition must be signed by the resident taxpayers owning, in the aggregate, at least one-half of the assessed value of all the taxable real property of each district. In addition, the signatures must be notarized (acknowledged or proved in the same manner as a deed to be recorded) or authenticated in the manner provided by Election Law. (See, e.g., West's McKinney's Forms, Town Law §172 Form 1).

The Election Law requires that a petition set forth the name of the signer, his or her residence address, town and the date when the signature is affixed. In addition, there must be a "Statement of Witness" attached to the petition, where one person attests to the witnessing of all of the signatures on the page, not including his or her own. In lieu of the signed statement of a witness, a statement signed by a notary public or commissioner of deeds would be acceptable. The signatures on the petition must be made with ink and will be voided if signed with lead pencil. The signer only needs to sign the petition; the other required information does not need to be filled out by the signer himself or herself. The petitions must comply with the requirements of Election Law § 6-134 and 9 NYCRR § 6215 with respect to form requirements, including the rule that all sheets must be numbered consecutively at the foot of each page.

Public Hearing

The hearing notice shall be published, at least once, ten to twenty days before the hearing in a newspaper having general circulation in the area to be affected by the consolidation. Further, the town clerk(s) shall post copies of the notice on the town(s)'s sign-board. In addition, if the

town(s) maintains a website, a copy of the notice may be provided on the website. The notice shall state the purpose of the hearing, specify each of the districts proposed to be included in the consolidated district and specify the time and place of the town board(s)'s meeting to consider the petition. (See e.g., West's McKinney's Forms, Town Law § 172 Forms 2 and 3).

Resolution

The consolidation will be effective when the town board(s) adopt a resolution providing for consolidation, unless the resolution specifies another date. The town clerk(s) shall have a certified copy of the resolution recorded in the office of the clerk of the county or counties where the consolidated fire district is located and shall, within ten days, file a certified copy of the resolution in the State Comptroller's Office in Albany, New York. (See, e.g., West's McKinney's Forms, Town Law §172 Form 4).

Fire District Officers

The commissioners of the fire districts that were consolidated shall constitute the board of fire commissioners of the consolidated district, and the treasurers of the districts shall serve jointly as the treasurers of the consolidated district until the December 31st following the consolidated fire district's first election. This election shall be held on the second Tuesday in December following the consolidation of the fire district unless the consolidation occurred after October 1, in which case, the first election of fire district officers shall be held on the second Tuesday in December of the following calendar year.

Alteration of Boundaries

When two or more fire districts adjoin, the board of fire commissioners of each fire district affected must agree by a written memorandum to the proposed change to alter the boundaries of their fire districts. The proposed change must be approved by the town board(s) in which the fire districts are located. The memorandum must be signed by a majority of the members of the board of fire commissioners of each fire district, and a public hearing must be held on the memorandum. The notice requirements of the hearing are similar to those for consolidation, except the secretary of the fire districts shall post notice of the hearing in five public places at least ten days prior to the hearing.

After the hearing, the boards of fire commissioners of the districts affected shall determine by joint resolution:

- Whether all the property and property owners within the districts are benefited by such change.
- Whether all the property and property owners within such area of such boundary change are benefited thereby.
- Whether it is in the public interest to grant the boundary line changes as set forth in the memorandum of proposed change.

If the above questions are all answered in the affirmative, the boards may adopt a resolution jointly approving the boundary line changes. The joint resolution and memorandum of proposed change shall be filed with the town clerk(s) of the town(s) in which the districts are wholly located and with the assessor(s) of the town(s).

Consolidation of Fire Protection Districts: (Town Law §§ 172-b, 172-c, 173)

Consolidation of fire protection districts is possible whenever two or more districts are adjoining. In such cases, the town board(s) of the town(s) involved may, acting jointly, consolidate the districts by majority vote. This vote may be brought either upon the town board(s)'s own motion without a petition or upon a written petition of resident taxpayers. Prior to consolidation, notice must be given and a public hearing must be held by the town board(s).

Petition

The petition must be signed by the resident taxpayers owning, in the aggregate, at least one-half of the assessed valuation of all the taxable real property in each district. In addition, the signatures must be notarized (acknowledged or proved in the same manner as a deed to be recorded) or authenticated in the manner provided by Election Law. (See consolidation of fire district section on petitions). (See, e.g., West's McKinney's Forms, Town Law §172-b Form 1).

Public Hearing

Notice of the hearing must be published at least once in a newspaper having general circulation in the territory affected, with the first publication ten to twenty days before the hearing. The town clerk(s) shall post copies of the notice on the sign-board of the town. In the event that the town maintains a website, a copy of the notice may also be provided on the website. The notice shall state in general terms the purposes of the hearing, specify each of the existing districts proposed to be included in the consolidated district, and specify the time and place where the town board(s) will meet to consider the petition and to hear all interested persons. Any resolution of consolidation made upon motion of the town board(s) without a petition shall be subject to a permissive referendum as provided in Article 7 of Town Law. (See, e.g., West's McKinney's Forms, Town Law §172-b Forms 2 and 3).

Resolution

A consolidation initiated by a petition of resident taxpayers shall be effective when the town board(s) adopt the resolution providing for consolidation, unless the resolution specifies another date. A consolidation initiated by a motion of the town board(s) without a petition shall become effective either with a petition and passage of a permissive referendum or if no permissive referendum petition is received, 30 days after the resolution was adopted. The town clerk(s) shall have a certified copy of the resolution recorded in the office of the clerk of the county or counties in which the consolidated fire protection district is located, and shall within ten days file a certified copy of the resolution in the State Comptroller's Office in Albany, New York. (See, e.g., West's McKinney's Forms, Town Law §172-b Form 4).

Alteration of Boundaries

The town board or town board of every town in which a fire protection district has been established, either upon petition or upon the motion of the town board(s), and after a public hearing, may alter the boundaries of the fire protection district by a majority vote of the members of each town board. The petition shall be signed by resident taxpayers owning, in the aggregate, at least one-half of the assessed valuation of all the taxable real property in the affected (excluded and remaining) territory. The petition and notice requirements of the hearing are the same as those for consolidation.

If the alteration of boundaries was initiated by the town board(s), the resolution will be subject to a permissive referendum as provided in Article 7 of the Town Law. The alteration shall become effective upon passage of a permissive referendum, however, if no permissive referendum is received, the alteration will be effective 30 days after the resolution was adopted. An alteration initiated by a petition of resident taxpayers shall be effective when the town board(s) adopts the resolution providing for alteration, unless the resolution specifies another date.

Joint Fire Districts in Towns and Villages: (Town Law §§ 185, 189-a, 189-b, 189-c)

The town board(s) and the village board(s) of trustees may establish a joint fire district when it appears to be in the public's best interest, provided that all the territory in the joint fire district is contiguous. The boards shall hold a joint meeting within the territory of the proposed joint fire district for the purpose of proposing the establishment of the joint fire district. If, at the joint meeting, it is decided by majority vote of each board to propose a joint fire district, the town and village board(s) must, within thirty days after the meeting, hold a joint public hearing. Notice of the hearing must be published at least once in a newspaper having general circulation within the town(s) and village(s), posted in five public conspicuous places within the area of the town(s) outside the village(s) (posting on the district's website would qualify for one of the posting), in five public conspicuous places in the village(s) and mailed to members of the town and village boards. The notice and posting must be accomplished at least ten days before the hearing. The notice must contain a brief description of the boundaries of the proposed district and of the objects and purposes for which the district is proposed to be established and must specify the time and place of the hearing.

After the public hearing, if the town and village board(s) determine that the establishment of a joint fire district is in the public interest, subject to permissive referendum, then, by resolution adopted by a majority of each board, the joint fire district will be established. Upon establishing a joint fire district, the respective boards shall, by local law, dissolve the existing fire districts or fire protection districts.

Once the joint fire district has been established, the property and affairs of the district are under the management and control of a board of fire commissioners which may have from three to seven members. The board of commissioners may be appointed by the town and village boards in joint session or may be elected in the manner provided in Article 11 of the Town Law. The determination of whether the board of commissioners is appointed or elected is made by the town and village boards by resolution adopted at the meeting for the establishment of the district.

Dissolving a Fire Protection District into a Fire District: (Town Law § 172-d)

Whenever a fire protection district adjoins a fire district, the town board(s) of the town(s) in which the fire protection district is located may, by majority vote and after a public hearing, dissolve the fire protection district into the adjoining fire district or alter the boundaries of the fire protection district to add a portion of the fire protection district into the fire district; provided that the board of fire commissioners of the fire district have consented to the alteration. The consent must be in writing and notarized.

Notice of the hearing must state the purpose of the hearing and specify the fire protection district to be dissolved or the proposed alteration. The additional notice requirements are the same as required for consolidation of fire districts or fire protection districts (see discussion above). The fire protection district will be deemed dissolved, or its boundaries altered, upon the adoption of a resolution by the town board(s). Thereafter, the resolution must be recorded in the same manner as a resolution for consolidation of fire districts (see discussion above).

Upon dissolution or alteration of boundaries of the fire protection district, the fire district shall be liable for all the obligations under the existing fire protection contracts, unless amended or terminated in the manner provided by Town Law § 184.

Consolidation of Not-for-Profit Corporations: (Not-for-Profit Corporations Law Article 9)

Article 9 of the Not-For-Profit Corporation Law governs the process of consolidation or merger for not-for-profit corporations, including fire corporations. Merger occurs when two or more fire corporations merge into a single pre-existing corporation (one of the participating corporations). In contrast, consolidation occurs when two or more fire corporations consolidate into a new single corporation.

Plan of Merger or Consolidation (N-PCL § 902)

A plan of merger or consolidation must be adopted by the board of each fire corporation proposing to participate in a merger or consolidation. The plan should include the name of each fire corporation and the name of the surviving or consolidated corporation and a description of the membership and holders of any certificates evidencing capital contributions or financial support of each corporation. The terms and conditions of the proposed merger or consolidation should also be included in the plan.

A plan of merger shall set forth a statement of any amendments or changes in the certificate of incorporation of the surviving fire corporation; while, a plan of consolidation requires all statements to be set forth in a certificate of incorporation for a fire corporation formed under Chapter 35 of the Not-For-Profit Corporation Law. (See, e.g., West's McKinney's Forms, Not-For-Profit Corp. Law §§ 9:2, 9:4).

Approval of the Plan (N-PCL § 903)

The board of each fire corporation, after approving the plan of merger or consolidation, must submit the plan to a vote of the members for additional approval. Notice of the meeting accompanied by a copy of the plan or an outline of the plan must be given to all members. A two-thirds vote is required for approval of the plan. If a corporation has no members that are entitled to vote, then the plan is deemed approved by the members of the corporation upon adoption by the board. (See, e.g., West's McKinney's Forms, Not-For-Profit Corp. Law §§ 9:7, 9:8, 9:9, 9:10).

Approval by the Supreme Court (N-PCL § 907)

Before a certificate is filed, the supreme court must issue an order approving the plan of merger or consolidation and authorizing the filing of the certificate. The application for the order may be made in the judicial district in which the principal office of the surviving or consolidated fire corporation is located, or in which the office of one of the participating fire corporations is located. The application must be jointly made by all the participating fire corporations setting forth the plan, the approval of the plan, the objects and purposes of the consolidation, a statement of all liabilities and income of each fire corporation, whether there were any votes against adoption of the plan, and facts showing that the consolidation is authorized by the laws of the jurisdictions under which each of the corporations is incorporated. After the application is filed, the court shall set a hearing date and direct that notice be given to all interested parties including the New York State Attorney General, any governmental body or officer and any other person or body whose consent or approval is required. (See, e.g., West's McKinney's Forms, Not-For-Profit Corp. Law §§ 9:21, 9:22, 9:23)

Certificate of Merger or Consolidation (N-PCL § 904)

After approval of the plan, a certificate of merger or consolidation must be signed by each fire corporation and delivered to the Department of State. The certificate shall state:

- The name of each participating fire corporation and the name of the surviving fire corporation or consolidated corporation;
- A description of the membership and holders of any certificates evidencing capital contributions or subventions of each participating corporation;
- In the case of merger, a statement of any amendments or changes in the certificate of incorporation of the surviving fire corporation;
- In case of consolidation, all statements required to be included in a certificate of incorporation for a corporation formed under Chapter 35 of the Not-For-Profit Corporation Law;
- The effective date of the merger or consolidation, if different than the date of filing the certificate;
- The date when the certificate of incorporation of each participating corporation was filed with by the Department of State; and
- The manner in which the merger or consolidation was authorized with respect to each participating corporation.

The surviving or consolidated fire corporation must file a copy of the certificate with the county clerk or the register of the county(ies) in which a participating fire corporation is located, other than the surviving corporation, and in the county(ies) where the real property of a participating fire corporation is situated. (See, e.g., West's McKinney's Forms, Not-For-Profit Corp. Law §§ 9:14, 9:15, 9:16). Before such filing may properly take place, consent to filing (as described below) must be obtained.

Consent to Filing (N-PCL § 909, § 404(f))

A certificate of merger or consolidation shall not be filed unless all required approvals or consents are received. Fire corporations require the approval, signed and acknowledged, of the authorities of each city, village, town or fire district (in a city: the mayor; in a village: a majority of the board of trustees; in a town: a majority of the members of the town board; in a fire district: a majority of the fire commissioners) in which the corporation proposes to act. The members of the town or village board may not give consent until a public hearing is held on the merger or consolidation.

Intermunicipal Agreements: (General Municipal Law Article 5-G)

NYS Constitution Article VIII, section 1 provides that two or more counties, cities, towns, villages or school districts “may join together pursuant to law in providing any municipal facility, service, activity or undertaking which each of the units has the power to provide separately.” This authority is further implemented in General Municipal Law Article 5-G which authorizes municipalities and fire districts to enter into, amend, cancel and terminate agreements for the performance and cost allocation respective to their functions, powers and duties on a cooperative or contract basis.

An intermunicipal agreement is possible when two or more parties, which are either municipal corporations or districts, each have the underlying function, power or duty to provide for a specific service or function. This agreement provides local governments the ability to reduce expenditures while maintaining the same quality of service. For more information on intermunicipal agreements and intergovernmental cooperation, see the Department of State's James A. Coon Local Government Technical Series publication “Intergovernmental Cooperation”, which can be found at: <http://www.dos.state.ny.us/lgss/pdfs/intergovt.pdf>.

APPENDIX A

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172 Form 1. Petition by Resident Taxpayers for Consolidation of Adjoining Fire Districts

TO THE TOWN BOARD OF THE TOWN OF _____, COUNTY OF _____:

The undersigned, being resident taxpayers of the Town of _____, New York (the "Town"), and of _____ Fire District No. _____ or _____ Fire District No. _____ of said town, aggregating at least one-half of the assessed valuation of all the taxable real property of each of said districts owned by resident taxpayers thereof, as such valuations appear upon the latest completed assessment roll of said town, do hereby petition the board as follows:

1. Petitioners propose, pursuant to Town Law Article 11, that the Town Board consolidate _____ Fire District No. _____ and _____ Fire District No. _____ of said Town into one fire district (the "consolidated fire district").
2. The aforementioned Fire Districts are adjoining fire districts.
3. *[Here and in as many succeeding paragraphs as necessary, set forth facts demonstrating why consolidation is desirable, e. g., greater efficiency, elimination of duplication, etc.]*
4. The assessed valuation of all the taxable real property of the consolidated fire district, owned by resident taxpayers, as such valuations appear upon the latest completed assessment roll of the Town is \$ _____ total. All of the petitioners are residents of the consolidated fire district and own real property therein, which property according to the latest completed assessment roll of the Town shows the assessed valuations respectively set out next to the names of the petitioners as follows:

Names and Addresses of Petitioners Owning Property in _____ Fire District No. _____	Assessed Valuation of Property Owned
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Names and Addresses of Petitioners Owning Property in _____ Fire District No. _____	Assessed Valuation of Property Owned
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

WHEREFORE, the petitioners respectfully request that the Town Board consolidate _____
Fire District No. _____ and _____ Fire District No. _____ of said
Town into the consolidated fire district and that a public hearing on such consolidation be held
according to law.

Dated: _____, N.Y.
_____, 20____.

[Typed Names and Signatures of Petitioners]

STATE OF NEW YORK

COUNTY OF _____ ss.:

On the _____ day of _____, 20____, before me personally came _____
to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) in
_____, _____, New York; that he/she/they is (are) the
_____ of the _____, the corporation described in and which executed
the above instrument; that he/she/they know(s) the seal of said corporation; that the seal
affixed to said instrument is such corporate seal; that it was so affixed by authority of the board
of directors of said corporation, and that he/she/they signed his/her/their name(s) thereto by
like authority.

(Signature and office of person taking acknowledgment.)

APPENDIX B

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172 Form 2. Resolution for Public Hearing on Consolidation of Adjoining Fire Districts

WHEREAS, a petition dated _____, 20____, has been duly presented to the Town Board of the Town of _____, New York (the "Town"), according to law, requesting that _____ Fire District No. _____ and _____ Fire District No. _____ of said Town, adjoining districts, be consolidated into one fire district (the "consolidated fire district").

NOW, THEREFORE, BE IT RESOLVED, that the said Town Board shall meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., to consider said petition and hear all persons interested in such consolidation, and be it

FURTHER RESOLVED, that the Town Clerk is hereby authorized and directed to publish notice of said hearing in the _____, the official Town newspaper, and to post copies of such notice in the manner required by law.

APPENDIX C

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172 Form 3. Notice of Public Hearing on Consolidation of Adjoining Fire Districts

NOTICE IS HEREBY GIVEN that the Town Board of the Town of _____, New York (the "Town"), will meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., for the purpose of conducting a hearing upon a petition dated _____, 20____, duly presented to said Town Board, according to law, requesting that _____ Fire District No. _____ and _____ Fire District No. _____ of the Town, adjoining districts, be consolidated into one fire district (the "consolidated fire district"), at which time and place said Town Board will consider such petition and hear all persons interested in the matter.

Dated: _____, New York
_____, 20____.

By Order of the Town Board
of the Town of _____.

Town Clerk

Town of _____

APPENDIX D

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172 Form 4. Resolution for Consolidation of Adjoining Fire Districts After Public Hearing

WHEREAS, a petition dated _____, 20____, has been duly presented to the Town Board of the Town of _____, New York (the "Town"), according to law, requesting that _____ Fire District No. _____ and _____ Fire District No. _____ of said Town, be consolidated into one fire district (the "consolidated fire district"), and

WHEREAS, said Town Board duly adopted on the _____ day of _____, 20____, a resolution providing that said Town Board shall meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., to consider said petition and hear all persons interested in the matter of the consolidation of such Fire Districts, and notice of such hearing was duly published and posted as prescribed by law, and said Town Board has, at the time and place specified in said notice, duly met and considered the matter of such consolidation, and heard all persons interested in the subject thereof who appeared at such time and place, concerning the same, and WHEREAS the said Town Board has considered said petition and the evidence submitted at such hearing,

NOW, THEREFORE, BE IT RESOLVED, that the Town Board determines as follows:

(1) That the aforesaid petition was signed and acknowledged or proved as required by law and is otherwise sufficient.

(2) That it is in the public interest to grant the consolidation requested, and be it FURTHER RESOLVED, that effective _____, 20____, _____ Fire District No. _____ and _____ Fire District No. _____ of the Town are hereby consolidated into one fire district to be known as the consolidated fire district, and be it FURTHER RESOLVED, that the Town Clerk be and he hereby is authorized and directed to cause a certified copy of this resolution to be duly recorded in the office of the clerk of _____ County in which said consolidated Fire Districts are located, and be it FURTHER RESOLVED, that the Town Clerk be and he hereby is authorized and directed to file a certified copy of this resolution in the office of the State Department of Audit and Control, at Albany, New York, within ten (10) days after the adoption of this resolution.

APPENDIX E

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172-b Form 1. Petition by Resident Taxpayers for Consolidation of Adjoining Fire Protection Districts

TO THE TOWN BOARD OF THE TOWN OF _____, COUNTY OF _____:

The undersigned, being resident taxpayers of the Town of _____, New York (the "Town"), and of _____ Fire Protection District No. _____ or _____ Fire Protection District No. _____ of said town, aggregating at least one-half of the assessed valuation of all the taxable real property of each of said districts owned by resident taxpayers thereof, as such valuations appear upon the latest completed assessment roll of said town, do hereby petition the board as follows:

1. Petitioners propose, pursuant to Town Law Article 11, that the Town Board consolidate said Fire Protection Districts into one fire protection district.
2. The said Fire Protection Districts are adjoining fire districts.
3. *[Here and in as many succeeding paragraphs as necessary, set forth facts demonstrating why consolidation is desirable, e. g., greater efficiency, elimination of duplication, etc.]*
4. The assessed valuation of all the taxable real property of said Fire Protection Districts, owned by resident taxpayers, as such valuations appear upon the latest completed assessment roll of the Town is \$ _____ total. All of the petitioners are residents of the Fire Protection Districts and own real property therein, which property according to the latest completed assessment roll of the Town shows the assessed valuations respectively set out next to the names of the petitioners as follows:

Names and Addresses of Petitioners Owning Property in _____ Fire Protection District No. _____	Assessed Valuation of Property Owned
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Names and Addresses of Petitioners Owning Property in _____ Fire Protection District No. _____	Assessed Valuation of Property Owned
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

WHEREFORE, the petitioners respectfully request that the Town Board consolidate said Fire Protection Districts into one fire protection district and that a public hearing on such consolidation be held according to law.

Dated: _____, N.Y.
_____, 20__.

[Typed Names and Signatures of Petitioners]

STATE OF NEW YORK

COUNTY OF _____ ss.:

On the _____ day of _____, 20__, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) in _____, _____, New York; that he/she/they is (are) the _____ of the _____, the corporation described in and which executed the above instrument; that he/she/they know(s) the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of directors of said corporation, and that he/she/they signed his/her/their name(s) thereto by like authority.
(Signature and office of person taking acknowledgment.)

Appendix F

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Town Law

Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172-b Form 2. Resolution for Public Hearing on Consolidation of Adjoining Fire Protection Districts

WHEREAS, a petition dated _____, 20____, has been duly presented to the Town Board of the Town of _____, New York (the "Town"), according to law, requesting that _____ Fire Protection District No. _____ and _____ Fire Protection District No. _____ of said Town, adjoining districts, be consolidated into one fire protection district,
NOW, THEREFORE, BE IT RESOLVED, that the said Town Board shall meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., to consider said petition and hear all persons interested in such consolidation, and be it
FURTHER RESOLVED, that the Town Clerk is hereby authorized and directed to publish notice of said hearing in the _____, the official Town newspaper, and to post copies of such notice in the manner required by law.

Appendix G

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Town Law
Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172-b Form 3. Notice of Public Hearing on Consolidation of Adjoining Fire Protection Districts

NOTICE IS HEREBY GIVEN that the Town Board of the Town of _____, New York (the "Town"), will meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., for the purpose of conducting a hearing upon a petition dated _____, 20____, duly presented to said Town Board, according to law, requesting that _____ Fire Protection District No. _____ and _____ Fire Protection District No. _____ of the Town, adjoining districts, be consolidated into one fire protection district, at which time and place said Town Board will consider such petition and hear all persons interested in the matter.

Dated: _____, New York
_____, 20____.

By Order of the Town Board
of the Town of _____.

Town Clerk

Town of _____

Appendix H

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Town Law

Article 11. Fire, Fire Alarm and Fire Protection Districts

§ 172-b Form 4. Resolution for Consolidation of Adjoining Fire Protection Districts After Public Hearing

WHEREAS, a petition dated _____, 20____, has been duly presented to the Town Board of the Town of _____, New York (the "Town"), according to law, requesting that _____ Fire Protection District No. _____ and _____ Fire Protection District No. _____ of said Town, be consolidated into one fire protection district, and WHEREAS, said Town Board duly adopted on the _____ day of _____, 20____, a resolution providing that said Town Board shall meet at the Town Hall, _____, _____, New York, on the _____ day of _____, 20____, at _____ P.M., to consider said petition and hear all persons interested in the matter of the consolidation of such Fire Protection Districts, and notice of such hearing was duly published and posted as prescribed by law, and said Town Board has, at the time and place specified in said notice, duly met and considered the matter of such consolidation, and heard all persons interested in the subject thereof who appeared at such time and place, concerning the same, and WHEREAS the said Town Board has considered said petition and the evidence submitted at such hearing,

NOW, THEREFORE, BE IT RESOLVED, that the Town Board determines as follows:

1. That the aforesaid petition was signed and acknowledged or proved as required by law and is otherwise sufficient.

2. That it is in the public interest to grant the consolidation requested, and be it FURTHER RESOLVED, that effective _____, 20____, _____ Fire Protection District No. _____ and _____ Fire Protection District No. _____ of the Town are hereby consolidated into one fire district to be known as the consolidated fire district, and be it

FURTHER RESOLVED, that the Town Clerk be and he hereby is authorized and directed to cause a certified copy of this resolution to be duly recorded in the office of the clerk of _____ County in which said consolidated Fire Protection Districts are located, and be it

FURTHER RESOLVED, that the Town Clerk be and he hereby is authorized and directed to file a certified copy of this resolution in the office of the State Department of Audit and Control, at Albany, New York, within ten (10) days after the adoption of this resolution.

Appendix I

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:2. Plan of merger—Domestic or foreign corporation as surviving corporation [Form: N.Y. Not-for-Profit Corp. Law § 902]

Plan of Merger of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of surviving corporation]*

ARTICLE I NAMES OF CONSTITUENT CORPORATIONS AND OF SURVIVING CORPORATION

The names of the constituent corporations are *[name of constituent corporation 1]* and *[name of constituent corporation 2]*. [OPTIONAL: *[name of constituent corporation]* was formed under the name *[former name of constituent corporation]*.] The name of the surviving corporation is *[name of surviving corporation]*.

ARTICLE II MEMBERSHIP AND HOLDERS OF CERTIFICATES EVIDENCING CAPITAL CONTRIBUTIONS AND SUBVENTIONS

The membership and holders of certificates evidencing capital contributions or subventions, including their number, classification, and voting rights, as to each constituent corporation, are described as follows: *[description of membership and holders of certificates of each constituent corporation.]*

ARTICLE III TERMS AND CONDITIONS OF PROPOSED MERGER

[Select one of the following][EITHER:]

1. The manner and basis of converting membership and/or other interest in each constituent corporation into membership and/or other interest in the surviving corporation shall be as follows: *[Specification of manner and basis of conversion]*

[OR:]

1. The *[cash/[specification of other consideration]]* to be *[paid/delivered]* in exchange for membership and/or other interest in each constituent corporation shall be as follows: *[Specification of manner of payment or delivery]*

[OR:]

1. The manner and basis of converting membership and/or other interest in each constituent corporation into membership and/or other interest in the surviving corporation shall be combined with a formula for *[cash/[specification of other consideration]]* to be *[paid/delivered]* in exchange for such membership and/or other interest. The combined manner and basis of such conversion and exchange shall be as follows: *[Specification of combined manner and basis of such conversion and exchange]*

2. *[Specification of any other terms or conditions.]*

ARTICLE IV
AMENDMENTS OR CHANGES IN CERTIFICATE OF INCORPORATION OF SURVIVING
CORPORATION

The amendments or changes in the certificate of incorporation of the surviving corporation to be effected by the merger are:

[To amend an existing provision:] Paragraph *[designation of paragraph]*, which relates to *[specification of subject matter of paragraph]*, is amended to read as follows: *[designation and recitation of paragraph to be substituted]*.

[To eliminate a provision:] Paragraph *[designation of paragraph]*, which relates to *[specification of subject matter of paragraph]*, is eliminated.

[To add a new provision:] A paragraph numbered *[designation of paragraph]* is added to read as follows: *[designation and recitation of paragraph to be added]*.

ARTICLE V
AGREEMENTS BY SURVIVING FOREIGN CORPORATION REGARDING SERVICE OF PROCESS AND
SUIT

[OPTIONAL: Because the surviving corporation is to be a foreign corporation, organized and existing under and by virtue of the laws of the State of [name of state], the following statement of agreements on the part of said surviving corporation will, under Not-for-Profit Corporation Law § 906(d)(2)(D), be required to be set forth in the certificate of merger which is to be delivered to the Department of State for filing:

"The surviving corporation, [name of surviving corporation], hereby agrees that it may be served with process in the State of New York in any action or special proceeding for the enforcement of any liability or obligation of any domestic corporation or of any foreign corporation previously amenable to suit in the State of New York which is a constituent corporation in this merger, and [name of surviving corporation] further agrees that it may be sued in the State of New York in respect of any property transferred or conveyed to it as provided in N.Y. Not-for-Profit Corp. Law § 907(c), or the use made of such property, or any transaction in connection therewith."

ARTICLE *[V/VI]*
MISCELLANEOUS PROVISIONS

[This article may be included for the purpose of setting forth provisions considered necessary or desirable but which are not required by the N.Y. Not-for-Profit Corp. Law. The provisions set forth here are illustrative only.]

[Select one of the following][EITHER:]

1. Effective Date of Merger.

The certificate of merger shall contain a provision that the effective date of the merger shall be *[date of merger not to exceed 30 days subsequent to filing of certificate of merger by Department of State.]*

[OR:]

1. Effective Date of Merger.

The proposed merger shall become effective upon the filing of the certificate of merger by the Department of State, and the certificate of merger shall not contain any provision to the contrary.

[OR:]

1. Effective Date of Merger.

The proposed merger shall become effective upon the filing of the certificate of merger by the Department of State, unless, prior to delivery of such certificate to the Department of State for filing, it is agreed between the boards of directors of the constituent corporations that a later effective date is advisable, in which event the certificate of merger shall contain a provision specifying such later effective date as is agreed upon between such boards, but which date under N.Y. Not-for-Profit Corp. Law § 905(a) may not exceed 30 days subsequent to the filing of the certificate of merger by the Department of State.

2.

Abandonment of Plan.

Notwithstanding authorization of this plan by the members of either of the constituent corporations, if at any time prior to the filing of the certificate of merger by the Department of State it becomes the opinion of the board of directors of either of the constituent corporations that events or circumstances have occurred which render it inadvisable to consummate the merger, this plan of merger may be abandoned. The filing of the certificate of merger by the Department of State shall conclusively establish that this plan has not been abandoned.

3.

Expenses of Merger.

The surviving corporation shall pay all the expenses of carrying this plan into effect and of accomplishing the merger, provided that if at any time this plan should become abandoned, [name of constituent corporation 2] shall reimburse the [name of surviving corporation] for 50 percent of all expenses incurred and paid under this paragraph.

4.

Counterparts.

For the convenience of the parties and to facilitate approval of this plan, any number of counterparts of this plan may be executed and each such executed counterpart shall be deemed to be an original instrument.

IN WITNESS WHEREOF, this plan of merger has been subscribed on behalf of [name of constituent corporation 1] on [date of subscription], and on behalf of [name of constituent corporation 2] on [date of subscription], by the undersigned duly authorized officers of those corporations, the plan having been duly adopted by the board of directors of [name of constituent corporation 1] on [date of adopting plan], and by the board of directors of [name of constituent corporation 2] on [date of adopting plan].

[Name of Corporation 1] [Name of Corporation 2]

by: _____
[Title of Officer]

by: _____
[Title of Officer]

Attest: _____
Secretary

Attest: _____
Secretary

Notes

This form is for use only if the constituents (domestic and domestic, or domestic and foreign) are not-for-profit corporations. For plan of merger where a constituent (domestic or foreign) is a business corporation, see herein § 9:24.

The bracketed Article V in the above form would be used only if the surviving corporation is to be a foreign corporation. See N.Y. Not-for-Profit Corp. Law §§ 902(a)(5), 906(d)(2)(D).

Notwithstanding the authorization of the merger by the members of each constituent corporation under N.Y. Not-for-Profit Corp. Law § 903, at any time prior to the filing of the certificate of

merger, the plan of merger may be abandoned pursuant to a provision for such abandonment, if any, contained in the plan. N.Y. Not-for-Profit Corp. Law § 903(b).

If the purposes of any constituent corporation would require the approval or consent of any governmental body or officer or any other person or body under N.Y. Not-for-Profit Corp. Law § 404, no certificate of merger or consolidation will be filed unless such approval or consent is endorsed thereon or annexed thereto. N.Y. Not-for-Profit Corp. Law § 909. Also required to be annexed to such certificate is a certified copy of the approval of the Supreme Court, where any constituent corporation is, or would be if formed under the N.Y. Not-for-Profit Corp. Law, a Type B or Type C corporation under N.Y. Not-for-Profit Corp. Law § 201. See N.Y. Not-for-Profit Corp. Law § 907(a).

The first optional clause above is applicable if the name of a constituent corporation has been changed.

The second optional clause above is applicable if the surviving corporation is to be a foreign corporation.

Appendix J

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:3. Resolution of directors adopting plan of merger [Form: N.Y. Not-for-Profit Corp. Law § 902]

Upon motion duly made, seconded and carried, the following *[resolution/resolutions]* *[was/were]* adopted by the affirmative vote of a majority of the Board of Directors present at the time of the vote, a quorum being presented at such time:

RESOLVED, that the plan of merger of *[name of corporation 1]* with *[name of corporation 2]*, designated as Plan *[designation of plan]* and dated the *[ordinal number]* day of *[name of month]*, *[year]*, a copy of which is annexed hereto, be and the same is hereby adopted and approved. *[OPTIONAL: And be it further]*

[OPTIONAL: The next paragraph is to be included only if the corporation has members entitled to vote on the plan, absent which the plan is deemed approved by the members when it is adopted by the board pursuant to N.Y. Not-for-Profit Corp. Law § 902; see N.Y. Not-for-Profit Corp. Law § 903(a)(3).]

RESOLVED, that such plan be submitted for approval by vote of the members of this corporation entitled to vote thereon at a special meeting to be called for that purpose on the *[ordinal number]* day of *[name of month]*, *[year]*, notice of which meeting is to be given to each member, whether or not entitled to vote, together with a copy of said plan of merger which has this day been adopted and approved by the Board of Directors of this corporation.

Notes

The board of directors of each constituent corporation, upon “approving” the plan of merger, must submit the plan to a vote of the members for their approval. N.Y. Not-for-Profit Corp. Law § 903(a). [Cf. N.Y. Not-for-Profit Corp. Law § 902, which provides that the board shall “adopt” the plan.] Notice of meeting [see form of notice at § 9:7, *infra*] must be given to each member whether or not entitled to vote, accompanied by a copy of the plan or an outline of its material features. N.Y. Not-for-Profit Corp. Law § 903(a)(1).

The plan must be approved at a meeting of the members by two-thirds vote as provided in N.Y. Not-for-Profit Corp. Law § 613(c) [see form of member resolution at § 9:8, *infra*], but as noted in the bracketed italics in the above form, if a merging corporation has no members entitled to vote on the plan, the plan is deemed approved by the members of the corporation when it is adopted by the board pursuant to N.Y. Not-for-Profit Corp. Law § 902. N.Y. Not-for-Profit Corp. Law § 903(a)(2), (3).

Appendix K

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:4. Plan of consolidation—Domestic or foreign consolidated corporation [Form: N.Y. Not-for-Profit Corp. Law § 902]

Plan of Consolidation of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]*

ARTICLE I

NAMES OF CONSTITUENT CORPORATIONS AND NAME OF CONSOLIDATED CORPORATION

The names of the constituent corporations are *[name of constituent corporation 1]* and *[name of constituent corporation 2]*. [OPTIONAL: *[Name of constituent corporation]* was formed under the name *[former name constituent corporation]*.]

The *[name of the consolidated corporation]* shall be *[name of consolidated corporation]*/method of determining the name of the consolidated corporation shall be *[specification of method of determining name of consolidated corporation.]*

ARTICLE II

MEMBERSHIP AND HOLDERS OF CERTIFICATES EVIDENCING CAPITAL CONTRIBUTIONS AND SUBVENTIONS AS TO CONSTITUENT CORPORATIONS

The membership and holders of certificates evidencing capital contributions or subventions, including their number, classification, and voting rights, as to each constituent corporation, are described as follows: *[description of membership and holders of certificates of each constituent corporation.]*

ARTICLE III

TERMS AND CONDITIONS OF PROPOSED CONSOLIDATION

[EITHER:]

1. The manner and basis of converting membership and/or other interest in each constituent corporation into membership and/or other interest in the consolidated corporation shall be as follows: *[Specification of manner and basis of converting membership]*.

[OR:]

1. The *[cash/[specification of other consideration]]* to be *[paid/delivered]* in exchange for membership and/or other interest in each constituent corporation shall be as follows: *[Specification mode of payment]*.

[OR:]

1. The manner and basis of converting membership and/or other interest in each constituent corporation into membership and/or other interest in the consolidated corporation shall be combined with a formula for *[cash/[specification of other consideration]]* to be *[paid/delivered]* in exchange for such membership and/or other interest. The combined manner and basis of such

conversion and exchange shall be as follows: *[Specification of manner and basis of conversion and exchange]*.

2. *[Specification of any other terms or conditions.]*

ARTICLE IV
STATEMENTS FOR CERTIFICATE OF INCORPORATION WITH RESPECT TO PROPOSED
CONSOLIDATED CORPORATION

The statements required to be included in a certificate of incorporation for a corporation formed under the Not-for-Profit Corporation Law *[OPTIONAL: except statements as to facts not available at the time of adoption of this plan of consolidation by the board of directors of each of the constituent corporations]* are:

[If any required statement is omitted because facts are unavailable at time of board adoption of plan, explanatory statement accounting for omission should be set forth in place of required statement. The following contents of the certificate of incorporation are from N.Y. Not-for-Profit Corp. Law § 402.]

(1) The name of the consolidated corporation shall be *[name of consolidated corporation]*.

(2)(a) The consolidated corporation is to be a corporation as defined in N.Y. Not-for-Profit Corp. Law § 102(a)(5).

(b) The consolidated corporation is to be formed for the following purposes: *[specification of purposes for formation of consolidated corporation]*.

(c) The consolidated corporation shall be a Type *[specification of type of consolidated corporation]* corporation under N.Y. Not-for-Profit Corp. Law § 201.

(d) *[OPTIONAL: Following, with respect to each business purpose, is the lawful public or quasi-public objective which each such business purpose will achieve: [Specification of purposes]].*

(3) The office of the consolidated corporation is to be located in the County of *[name of county]* in the State of New York.

[OPTIONAL: The post office address of the office without the State of New York at which, pursuant to N.Y. Not-for-Profit Corp. Law § 621, the books and records of account of the consolidated corporation shall be kept is [post office address of consolidated corporation], [name of city] City, [name of county] County, State of [name of state]].

(4) *[OPTIONAL: The names and addresses of the initial directors of the consolidated corporation are: [List of names and addresses of initial directors of consolidated corporation]].*

(5) The duration of the corporation shall be *[statement of duration required only if other than perpetual; see N.Y. Not-for-Profit Corp. Law § 402(a)(5)]*.

(6) The Secretary of State of the State of New York is hereby designated as agent of the consolidated corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against it served upon the said Secretary is *[post office address of secretary of state], [name of city] City, [name of county] County, State of [name of state], Zip Code [zip code of area]*.

(7) *[OPTIONAL: [Name and address of registered agent within State of New York and statement that registered agent is to be agent of corporation upon whom process against it may be served.]*

(8) [OPTIONAL: [Specification of statements, with respect to special not-for-profit corporations required under N.Y. Not-for-Profit Corp. Law Article 14.]]

(9) [Specification of provision, not inconsistent with N.Y. Not-for-Profit Corp. Law or any other New York statute, which provision is: (1) for regulation of internal affairs of corporation, including types or classes of membership and distribution of assets on dissolution or final liquidation; or (2) required by any governmental body or officer or other person or body as condition for giving consent or approval required for filing of such certificate of incorporation. N.Y. Not-for-Profit Corp. Law § 402(c).]

[ARTICLE V]

[OPTIONAL: The consolidated corporation, [name of consolidated corporation], hereby agrees that it may be served with process in the State of New York in any action or special proceeding for the enforcement of any liability or obligation of any domestic corporation or of any foreign corporation previously amenable to suit in the State of New York which is a constituent corporation in this consolidation, and [name of consolidated corporation] further agrees that it may be sued in the State of New York in respect of any property transferred or conveyed to it as provided in Not-for-Profit Corporation Law § 907(c), or the use made of such property, or any transaction in connection therewith.]

ARTICLE [V/VI] Miscellaneous Provisions

[This Article may be included for the purpose of setting forth provisions considered necessary or desirable but which are not required by the N.Y. Not-for-Profit Corp. Law. The provisions which follow here are illustrative only.]

[Select one of the following][EITHER:]

1. **Effective Date of Consolidation.**

The certificate of consolidation shall contain a provision that the effective date of the consolidation shall be [date of consolidation not to exceed 30 days subsequent to filing of certificate of consolidation by Department of State.]

[OR:]

1. **Effective Date of Consolidation.**

The proposed consolidation shall become effective upon the filing of the certificate of consolidation by the Department of State, and the certificate of consolidation shall not contain any provision to the contrary.

[OR:]

1. **Effective Date of Consolidation.**

The proposed consolidation shall become effective upon the filing of the certificate of consolidation by the Department of State unless, prior to delivery of such certificate to the Department of State for filing, it is agreed between the boards of directors of the constituent corporations that a later effective date is advisable, in which event the certificate of consolidation shall specify such later effective date as may be agreed upon between the boards, but which date under N.Y. Not-for-Profit Corp. Law § 905(a) may not exceed 30 days subsequent to the filing of the certificate of consolidation by the Department of State.

2.

Abandonment of Plan.

Notwithstanding authorization of this plan by the members of the constituent corporations, if at any time prior to the filing of the certificate of consolidation by the Department of State it

becomes the opinion of the board of directors of either of the constituent corporations that events or circumstances have occurred which render it inadvisable to consummate the consolidation, this plan of consolidation may be abandoned. The filing of the certificate of consolidation by the Department of State shall conclusively establish that this plan has not been abandoned.

3.

Expenses of Consolidation.

[Name of disbursing constituent] shall pay the expenses of carrying this plan into effect and of accomplishing the consolidation to the extent that such expenses become due and payable prior to the completion of the consolidation, provided that if at any time this plan shall become abandoned, *[name of non-disbursing constituent]* shall reimburse *[name of disbursing constituent]* for 50% of all expenses incurred and paid hereunder. Expenses becoming due and payable after the consolidation has been completed shall be paid by the consolidated corporation.

4.

Counterparts.

For the convenience of the parties and to facilitate approval of this plan, any number of counterparts thereof may be executed, and each such executed counterpart shall be deemed to be an original instrument.

IN WITNESS WHEREOF, this plan of merger has been subscribed on behalf of *[name of constituent corporation 1]* on *[date of subscription]*, and on behalf of *[name of constituent corporation 2]* on *[date of subscription]*, by the undersigned duly authorized officers of those corporations, the plan having been duly adopted by the board of directors of *[name of constituent corporation 1]* on *[date of adopting plan]*, and by the board of directors of *[name of constituent corporation 2]* on *[date of adopting plan]*.

<i>[Name of Corporation]</i>	<i>[Name of Corporation]</i>		
by: _____	_____	by: _____	_____
	<i>[Title of Officer]</i>		<i>[Title of Officer]</i>
Attest: _____	_____	Attest: _____	_____
	Secretary		Secretary

Notes

This form is for use only if the constituents (domestic and domestic, or domestic and foreign) are not-for-profit corporations. For plan of consolidation where a constituent is a business corporation (domestic or foreign), see § 9:25.
The bracketed Article V in the above form is used only where the consolidated corporation is to be a foreign corporation. See N.Y. Not-for-Profit Corp. Law §§ 902(a)(5), 906(d)(2)(D).
Notwithstanding the authorization of the consolidation by the members of each constituent corporation under N.Y. Not-for-Profit Corp. Law § 903, at any time prior to the filing of the certificate of consolidation, the plan of consolidation may be abandoned pursuant to a provision for such abandonment, if any, contained in such plan. N.Y. Not-for-Profit Corp. Law § 903(b).
If the purposes of any constituent or consolidated corporation would require the approval or consent of any governmental body or officer or any other person or body under N.Y. Not-for-Profit Corp. Law § 404, no certificate of merger or consolidation will be filed unless such approval or consent is endorsed thereon or annexed thereto. N.Y. Not-for-Profit Corp. Law § 909. Also required to be annexed to such certificate is a certified copy of the approval of the Supreme Court, where any constituent corporation or the consolidated corporation is, or would be if

formed under the N.Y. Not-for-Profit Corp. Law, a Type B or Type C corporation under N.Y. Not-for-Profit Corp. Law § 201. See N.Y. Not-for-Profit Corp. Law § 907(a).

The third optional clause above is applicable if the name of a constituent corporation has been changed.

The fifth optional clause above is applicable if the consolidated corporation is a Type C corporation.

The seventh optional clause above is applicable if the consolidated corporation is a Type A, Type B, or Type C corporation, and optionally if a Type D corporation.

The ninth optional clause above is applicable if consolidated corporation is to be a foreign corporation.

Appendix L

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:5. Resolution of directors adopting plan of consolidation [Form: N.Y. Not-for-Profit Corp. Law § 902]

Upon motion duly made, seconded and carried, the following *[resolution/resolutions]* *[was/were]* adopted by the affirmative vote of a majority of the Board of Directors present at the time of the vote, a quorum being presented at such time:

RESOLVED, that the plan of consolidation of *[name of corporation 1]* and *[name of corporation 2]*, designated as Plan *[designation of plan]* and dated the *[ordinal number]* day of *[name of month]*, *[year]*, a copy of which is annexed hereto, be and the same is hereby adopted.

[OPTIONAL: And be it further]

[OPTIONAL: The next paragraph is to be included only if the corporation has members entitled to vote on the plan, absent which the plan is deemed approved by the members when it is adopted by the board pursuant to N.Y. Not-for-Profit Corp. Law § 902; see N.Y. Not-for-Profit Corp. Law § 903(a)(3).]

RESOLVED, that such plan be submitted for approval by vote of the members of this corporation entitled to vote thereon at a special meeting to be called for that purpose on the *[ordinal number]* day of *[name of month]*, *[year]*, notice of which meeting is to be given to each member, whether or not entitled to vote, together with a copy of said plan of consolidation which has this day been adopted by the Board of Directors of this corporation.

Notes

The board of directors of each constituent corporation, upon “approving” the plan of consolidation, must submit the plan to a vote of the members for their approval. N.Y. Not-for-Profit Corp. Law § 903(a). [Cf. N.Y. Not-for-Profit Corp. Law § 902, which provides that the board shall “adopt” the plan.] Notice of meeting [see form of notice at § 9:9, *infra*] must be given to each member whether or not entitled to vote, accompanied by a copy of the plan or an outline of its material features. N.Y. Not-for-Profit Corp. Law § 903(a)(1).

The plan must be approved at a meeting of the members by two-thirds vote as provided in N.Y. Not-for-Profit Corp. Law § 613(c) [see form of member resolution at § 9:10, *infra*], but as noted in the bracketed italics in the above form, if a consolidating corporation has no members entitled to vote on the plan, the plan is deemed approved by the members of the corporation when it is adopted by the board pursuant to N.Y. Not-for-Profit Corp. Law § 902. N.Y. Not-for-Profit Corp. Law § 903(a)(2), (3).

Appendix M

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:7. Notice of special meeting of members to vote on plan of merger [Form: N.Y. Not-for-Profit Corp. Law § 903]

Notice of Special Meeting of Members

To the Members of *[name of corporation]*:

PLEASE TAKE NOTICE, that a special meeting of the members of *[name of corporation]* will be held at *[street address of corporation]*, City of *[name of city]*, County of *[name of county]*, State of New York, on the *[ordinal number]* day of *[name of month]*, *[year]*, at *[time of meeting]* o'clock *[A.M./P.M.]* for the purpose of voting upon a plan of merger of *[name of corporation 1]* into *[name of corporation 2]*, both of which are not-for-profit domestic corporations organized and existing under and by virtue of the laws of the State of New York *[OPTIONAL: [specification of foreign jurisdiction in which incorporated]]*.

[A copy/An outline of the material features] of the plan of merger, which plan has been approved and adopted by the board of directors of your corporation, is enclosed with this notice.

This notice of meeting is being issued at the direction of *[name of person calling for meeting]*.

Dated: *[date of notice]*.

[Name of person issuing notice]

[Title of person issuing notice]

Notes

Notice is to be given to each member whether or not entitled to vote, and a copy of the plan of merger or an outline of the material features of the plan is to accompany such notice. See N.Y. Not-for-Profit Corp. Law § 903(a)(1).

If any merging corporation has no members entitled to vote thereon, the plan of merger is deemed approved by the members when, pursuant to N.Y. Not-for-Profit Corp. Law § 902, it is adopted by the board. N.Y. Not-for-Profit Corp. Law § 903(a)(3).

Notwithstanding authorization by the members, at any time prior to the filing of the certificate of merger, the plan of merger may be abandoned pursuant to a provision for such abandonment, if any, contained in the plan of merger. N.Y. Not-for-Profit Corp. Law § 903(b).

See N.Y. Not-for-Profit Corp. Law § 605(a) for further requirements as to the notice, which are satisfied by the above form.

Appendix N

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:8. Resolution of members approving plan of merger [Form: N.Y. Not-for-Profit Corp. Law § 903]

Upon motion duly made, seconded and carried, the following resolutions were duly adopted by the affirmative vote of two-thirds of the members casting votes, the votes cast in favor of these resolutions being at least equal to the quorum and all members casting votes being entitled to vote thereon:

RESOLVED, that the plan of merger of *[name of corporation]* into *[name of surviving corporation]*, designated as Plan *[designation of plan]*, and approved and adopted by resolution of the Board of Directors of this corporation on the *[ordinal number]* day of *[name of month]*, *[year]*, be and the same is hereby approved and adopted in all respects by the members of this corporation this *[ordinal number]* day of *[name of month]*, *[year]*, and be it further RESOLVED, that the President and the Secretary of this corporation be and are hereby authorized to effectuate the aforesaid merger and to execute and deliver to the Department of State a certificate of merger pursuant to the Not-For-Profit Corporation Law of the State of New York.

Notes

The plan must be approved at a meeting of the members by a two-thirds vote as provided in N.Y. Not-for-Profit Corp. Law § 613(c), i.e., two-thirds of the votes cast at the meeting, provided that the affirmative votes cast are at least equal to the quorum. N.Y. Not-for-Profit Corp. Law § 903(a)(2). As to quorum, see N.Y. Not-for-Profit Corp. Law § 608.

Appendix O

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:9. Notice of special meeting of members to vote on plan of consolidation [Form: N.Y. Not-for-Profit Corp. Law § 903]

Notice of Special Meeting of Members

To the Members of *[name of corporation]*:

PLEASE TAKE NOTICE, that a special meeting of the members of *[name of corporation]* will be held at *[street address of corporation]*, City of *[name of city]*, County of *[name of county]*, State of New York, on the *[ordinal number]* day of *[name of month]*, *[year]*, at *[time of meeting]* o'clock *[A.M./P.M.]* for the purpose of voting upon a plan of consolidation of *[name of corporation 1]* and *[name of corporation 2]*, both of which are not-for-profit domestic corporations organized and existing under and by virtue of the laws of the State of New York *[OPTIONAL: [specification of foreign jurisdiction of incorporation]]* into a consolidated corporation to be named *[name of consolidated corporation]* to be organized and to exist under and by virtue of laws of the State of *[name of state]*.

[A copy/An outline of the material features] of the plan of consolidation, which has been approved and adopted by the board of directors of your corporation, is enclosed with this notice. This notice is being issued at the direction of *[name of person calling for meeting]*.

Dated: *[date of notice]*.

[Name of person issuing notice]

[Title of person issuing notice]

Notes

Notice is to be given to each member whether or not entitled to vote, and a copy of the plan of consolidation or an outline of the material features of the plan must accompany such notice. See N.Y. Not-for-Profit Corp. Law § 903(a)(1).

If any consolidating corporation has no members entitled to vote thereon, the plan of consolidation is deemed approved by the members when, pursuant to N.Y. Not-for-Profit Corp. Law § 902, it is adopted by the board. N.Y. Not-for-Profit Corp. Law § 903(a)(3).

Notwithstanding authorization by the member, at any time prior to the filing of the certificate of consolidation, the plan of consolidation may be abandoned pursuant to a provision for such abandonment, if any contained in the plan of consolidation. N.Y. Not-for-Profit Corp. Law § 903(b).

See N.Y. Not-for-Profit Corp. Law § 605(a) for further requirements as to the notice, which are satisfied by the above form.

Appendix P

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:10. Resolution of members approving plan of consolidation [Form: N.Y. Not-for-Profit Corp. Law § 903]

Upon motion duly made, seconded and carried, the following resolutions were duly adopted by the affirmative vote of two-thirds of the members casting votes, the votes cast in favor of these resolutions being at least equal to the quorum and all members casting votes being entitled to vote thereon:

RESOLVED, that the plan of consolidation of *[name of corporation 1]* and *[name of corporation 2]*, Plan *[designation of plan]* and approved and adopted by resolution of the Board of Directors of this corporation on the *[ordinal number]* day of *[name of month]*, *[year]*, be and the same is hereby approved and adopted in all respects by the members of this corporation this *[ordinal number]* day of *[name of month]*, *[year]*, and be it further

RESOLVED, that the President and Secretary of this corporation be and are hereby authorized to effectuate the aforesaid consolidation and to execute and deliver to the Department of State a certificate of consolidation pursuant to the Not-For-Profit Corporation Law of the State of New York.

Notes

The plan must be approved at a meeting of the members by a two-thirds vote as provided in N.Y. Not-for-Profit Corp. Law § 613(c), i.e., two-thirds of the votes cast at the meeting, provided that the affirmative votes cast are at least equal to the quorum. N.Y. Not-for-Profit Corp. Law § 903(a)(2). As to quorum, see N.Y. Not-for-Profit Corp. Law § 608.

Appendix Q

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:14. Certificate of merger [Form: N.Y. Not-for-Profit Corp. Law § 904]

Certificate of Merger of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]*

UNDER N.Y. NOT-FOR-PROFIT CORP. § 904

The undersigned, *[list of names of persons entitled to sign]*, being the *[title of persons entitled to sign pursuant to N.Y. Not-for-Profit Corp. Law § 104(d)]* of *[name of constituent corporation 1]*, and *[list of names of persons entitled to sign]*, being the *[title of persons entitled to sign pursuant to N.Y. Not-for-Profit Corp. Law § 104(d)]* of *[name of constituent corporation 2]*, said corporations being domestic corporations organized and existing under and by virtue of the laws of the State of New York, hereby certify:

(1) The names of the constituent corporations are *[name of constituent corporation 1]* and *[name of constituent corporation 2]*. [OPTIONAL: *[name of constituent corporation]* was formed under the name *[former name of constituent corporation]*.] The name of the surviving corporation is *[name of surviving corporation]*.

(2) The membership and holders of certificates evidencing capital contributions and subventions, including their number, classification, and voting rights, as to each constituent corporation, are described as follows: *[Description of membership and holders of certificates of each constituent corporation.]*

(3) The amendments or changes in the certificate of incorporation of the surviving corporation to be effected by the merger are:

[To amend an existing provision:] Paragraph *[designation of paragraph]*, which relates to *[specification of subject matter of paragraph]*, is amended to read as follows: *[designation and recitation of paragraph paragraph to be substituted]*.

[To eliminate a provision:] Paragraph *[designation of paragraph]*, which relates to *[specification of subject matter of paragraph]*, is eliminated.

[To add a new provision:] A paragraph numbered *[designation of paragraph]* is added to read as follows: *[designation and recitation of paragraph to be added]*.

(4) [OPTIONAL: *The effective date of the merger shall be [date of merger not to exceed 30 days subsequent to filing of certificate of merger by Department of State]; see N.Y. Not-for-Profit Corp. Law § 905(a)*].

(5) The certificate of incorporation of *[name of constituent corporation 1]* was filed by the Department of State on *[date of filing certificate of incorporation]*. The certificate of incorporation of *[name of constituent corporation 2]* was filed by the Department of State on *[date of filing certificate of incorporation]*. *[Name of constituent]* was created by special law, to wit, chapter *[number of chapter]* of the laws of *[name of act]*.

(6) The merger was authorized with respect to *[name of constituent corporation 1]* in the following manner: *[Specification of statement pursuant to form of alternative 1 or 2 below].*

[Alternative 1, if constituent has members:] A plan of merger was adopted by the board of *[name of constituent corporation]* *[at a meeting on [date of meeting], by vote of a majority of the directors present at the time of the vote, a quorum being present at the time/without a meeting by the consent in writing of all the members of the board to the adoption of a resolution authorizing adoption of the plan. The resolution and the written consents thereto by the board members were filed with the minutes of the proceedings of the board]*. The board submitted the plan to a vote of the members. Notice of meeting was given to each member whether or not entitled to vote. *[A copy of the plan of merger/An outline of the material features of the plan of merger]* accompanied the notice. The plan was approved at a meeting of the members on *[date of approval]*, by two thirds of the votes cast at the meeting, the affirmative votes cast in favor of the plan being at least equal to the quorum, blank votes and abstentions not being counted in the number of votes cast.

[Alternative 2, if constituent has no members:] *[Name of constituent corporation]* having no members, the merger was deemed approved when a plan of merger was adopted by the board of *[name of constituent corporation]* at a meeting on *[date of meeting]*, by vote of a majority of the directors present at the time of the vote, a quorum being present at such time OR *[Name of constituent corporation]* having no members, the merger was deemed approved when a plan of merger was adopted by the board of *[name of constituent corporation]*, without a meeting, by the consent in writing of all the members of the board to the adoption of a resolution authorizing adoption of the plan. The resolution and the written consents thereto by the board members were filed with the minutes of the proceedings of the board.

The merger was authorized with respect to *[name of constituent corporation]* in the following manner: *[Specification of statement pursuant to form of alternative 1 or 2 above].*

IN WITNESS WHEREOF, the undersigned have, on behalf of each constituent corporation, signed this certificate and hereby affirm it as true under the penalties of perjury this *[ordinal number]* day of *[name of month]*, *[year]*.

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 1]*

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 2]*

[Certified copy of approval by the Supreme Court where required pursuant to N.Y. Not-for-Profit Corp. Law § 907; see §§ 9:21 to 9:23]

[Consents or approvals under N.Y. Not-for-Profit Corp. Law § 404 where mandated by N.Y. Not-for-Profit Corp. Law § 909]

Notes

The first optional clause above is applicable if the name of a constituent corporation has been changed.

The second optional clause above is applicable if the merger is to become effective other than upon filing of the certificate of merger by the Department of State.

This form is only for merger of domestic not-for-profit corporations. For merger of domestic and foreign not-for-profit corporations, use § 9:17 or § 9:19, as appropriate. For merger of business and not-for-profit corporations, use § 9:26, § 9:28, or § 9:31, as appropriate.

Delivery to Department of State; filings in county offices. The certificate of merger must be delivered to the Department of State (N.Y. Not-for-Profit Corp. Law § 904(a)), and the surviving corporation thereafter must cause a copy of the certificate, certified by the Department of State, to be filed in the office of the clerk of each county in which the office of a constituent corporation, other than the surviving corporation, is located, and in the office of the official who is the recording officer of each county in this State in which real property of a constituent corporation, other than the surviving corporation, is situated (N.Y. Not-for-Profit Corp. Law § 904(b)).

Approvals and Consents. If the purposes of any surviving or consolidated corporation require the approval or consent of any governmental body or officer or any other person or body under N.Y. Not-for-Profit Corp. Law § 404, no certificate of merger or consolidation will be filed pursuant to N.Y. Not-for-Profit Corp. Law Article 9 unless such approval or consent is endorsed thereon or annexed thereto. N.Y. Not-for-Profit Corp. Law § 909. For approval by the Supreme Court in the case of Type B or C corporations, see N.Y. Not-for-Profit Corp. Law § 907. As to education corporations, see below in this Notes to Form.

Effect of Merger. When the merger has been effected:

(1) The surviving corporation shall thereafter, consistently with its certificate of incorporation as altered by the merger, possess all the rights, privileges, immunities, powers and purposes of each of the constituent corporations. N.Y. Not-for-Profit Corp. Law § 905(b)(1).

(2) All the property, real and personal, including causes of action and every other asset of each of the constituent corporations, vests in such surviving corporation without further act or deed, except as otherwise provided in N.Y. Not-for-Profit Corp. Law § 907(b). Except as the court may otherwise direct, as provided in N.Y. Est. Powers & Trusts Law § 8-1.1, any disposition made in the will of a person dying domiciled in this State or in any other instrument executed under the laws of this state, taking effect after such merger, to or for any of the constituent corporations inures to the benefit of the surviving corporation. So far as is necessary for that purpose, or for the purpose of a like result with respect to a disposition governed by the law of any other jurisdiction, the existence of each constituent domestic corporation shall be deemed to continue in and through the surviving corporation. N.Y. Not-for-Profit Corp. Law § 904(b)(2).

(3) The surviving corporation shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent corporations. No liability or obligation due or to become due, claim or demand for any cause existing against any such corporation, or any member, officer or director thereof, is released or impaired by such merger. No action or proceeding, whether civil or criminal, then pending by or against any such constituent corporation, or any member, officer or director thereof, abates or is discontinued by such merger, but may be enforced, prosecuted, settled or compromised

as if such merger had not occurred, or such surviving corporation may be substituted in such action or special proceeding in place of any constituent corporation. N.Y. Not-for-Profit Corp. Law § 905(b)(3).

(4) The certificate of incorporation of the surviving corporation is automatically amended to the extent, if any, that changes in its certificate of incorporation are set forth in the plan of merger. N.Y. Not-for-Profit Corp. Law § 905(b)(4).

Education Corporations. In addition to the requirements of N.Y. Not-for-Profit Corp. Law § 909, the consent of the Regents shall be endorsed on or annexed to a certificate of merger if any constituent corporation was chartered, or formed by special act with a purpose for which a corporation might be created by the regents. N.Y. Educ. Law § 216-a(4)(d)(11).

Appendix R

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:15. Certificate of consolidation [Form: N.Y. Not-for-Profit Corp. Law § 904]

Certificate of Consolidation *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]*

UNDER N.Y. NOT-FOR-PROFIT CORP. § 904

The undersigned, *[list of names of persons entitled to sign]*, being the *[title of persons entitled to sign pursuant to N.Y. Not-for-Profit Corp. Law § 104(d)]* of *[name of constituent corporation 1]*, and *[list of names of persons entitled to sign]*, being the *[title of persons entitled to sign pursuant to N.Y. Not-for-Profit Corp. Law § 104(d)]* of *[name of constituent corporation 2]*, said corporations being domestic corporations organized and existing under and by virtue of the laws of the State of New York, hereby certify:

(1) The names of the constituent corporations are *[name of constituent corporation 1]* and *[name of constituent corporation 2]*. *[OPTIONAL: The name under which [name of constituent corporation] was formed is [former name of constituent corporation].]*
The name of the consolidated corporation is *[name of consolidated corporation]*.

(2) The membership and holders of certificates evidencing capital contributions and subventions, including their number, classification, and voting rights, are described as follows: *[description of membership and holders of certificates of each constituent corporation.]*

(3) The statements required to be included in a certificate of incorporation for a corporation formed under the Not-for-Profit Corporation Law with respect to the consolidated corporation, including statements which were omitted in the plan of consolidation because facts were not available at the time said plan was adopted by the board of directors of each of the constituent corporations, are:

I. The name of the consolidated corporation is *[name of consolidated corporation]*.

II(a) The consolidated corporation is a corporation as defined in Not-for-Profit Corporation Law § 102(a)(5).

(b) The consolidated corporation is formed for the following purposes: *[list of purposes for formation of consolidated corporation]*.

(c) The consolidated corporation shall be a Type *[specification of type of corporation]* corporation under section 201 of the Not-for-Profit Corporation Law.

(d) *[OPTIONAL: Following, with respect to each business purpose, is the lawful public or quasi-public objective which each such business purpose will achieve: [Specification of lawful public or quasi-public objective]].*

III. The office of the consolidated corporation is to be located in the County of *[name of county]* in the State of New York.

[OPTIONAL: The post office address of the office without the State of New York at which, pursuant to N.Y. Not-for-Profit Corp. § 621, the books and records of account of the consolidated corporation shall be kept is [place of record], [address of corporation], [name of city] City, [name of county] County, State of [name of state].]

IV. *[OPTIONAL: The names and addresses of the initial directors of the consolidated corporation are: [List of names and addresses of initial directors of consolidated corporation]].*

V. The duration of the corporation shall be *[duration of corporation under N.Y. Not-for-Profit Corp. Law § 402(a)(5), to be specified only if other than perpetual].*

VI. The Secretary of State of the State of New York is hereby designated as agent of the consolidated corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against it served upon the said Secretary is *[post office address of secretary of state], [name of city] City, [name of county] County, State of [name of state], Zip Code [zip code of area].*

VII. *[OPTIONAL: [Name and address of registered agent within State of New York and statement that registered agent is to be agent of corporation upon whom process against it may be served.]]*

VIII. *[OPTIONAL: [Specification of statements, with respect to special not-for-profit corporations required under N.Y. Not-for-Profit Corp. Law Article 14.]]*

IX. *[Specification of provision, not inconsistent with N.Y. Not-for-Profit Corp. Law or any other New York statute, which provision is: (1) for regulation of internal affairs of corporation, including types or classes of membership and distribution of assets on dissolution or final liquidation; or (2) required by any governmental body or officer or other person or body as condition for giving consent or approval required for filing of such certificate of incorporation. N.Y. Not-for-Profit Corp. Law § 402(c).]*

(4) *[OPTIONAL: The effective date of the consolidation shall be [effective date of consolidation not to exceed 30 days subsequent to filing of certificate of consolidation by Department of State]; see N.Y. Not-for-Profit Corp. Law § 905(a).]*

[EITHER:]

(5) The certificate of incorporation of *[name of constituent corporation]* was filed on *[date of filing certificate of incorporation]*.

The certificate of incorporation of *[name of constituent corporation 2]* was filed on *[date of filing certificate of incorporation]*.

[OR:]

(5) *[Name of constituent corporation]* was created by special law, to wit, chapter *[number of act]* of the laws of *[name of act]*.

(6) The consolidation was authorized with respect to *[name of constituent corporation]* in the following manner: *[Specification of statement pursuant to form of alternative 1 or 2 below].*

[Alternative 1, if constituent has members:] A plan of consolidation was adopted by the board of [name of constituent corporation] [at a meeting on [date of meeting], by vote of a majority of the directors present at the time of the vote, a quorum being present at the time/without a meeting by the consent in writing of all the members of the board to the adoption of a resolution authorizing adoption of the plan. The resolution and the written consents thereto by the board members were filed with the minutes of the proceedings of the board]. The board submitted the plan to a vote of the members. Notice of meeting

was given to each member whether or not entitled to vote. *[A copy of the plan of consolidation/An outline of the material features of the plan of consolidation]* accompanied the notice. The plan was approved at a meeting of the members on *[date of meeting]*, by two thirds of the votes cast at the meeting, the affirmative votes cast in favor of the plan being at least equal to the quorum, blank votes and abstentions not being counted in the number of votes cast.

[Alternative 2, if constituent has no members:] [Name of constituent corporation] having no members, the consolidation was deemed approved when a plan of consolidation was adopted by the board of [name of constituent corporation] [at a meeting on [date of meeting], by vote of a majority of the directors present at the time of the vote, a quorum being present at such time without a meeting, by the consent in writing of all the members of the board to the adoption of a resolution authorizing adoption of the plan. The resolution and the written consents thereto by the board members were filed with the minutes of the proceedings of the board.]

The consolidation was authorized with respect to *[name of constituent corporation]* in the following manner: *[Specification of statement pursuant to form of alternative 1 or 2 above]*. IN WITNESS WHEREOF, the undersigned have, on behalf of each constituent corporation, signed this certificate and hereby affirm it as true under the penalties of perjury this *[ordinal number]* day of *[name of month]*, *[year]*.

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 1]*

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 2]*

[Certified copy of approval by the Supreme Court where required pursuant to N.Y. Not-for-Profit Corp. Law § 907; see §§ 9:21 to 9:23]

[Consents or approvals under N.Y. Not-for-Profit Corp. Law § 404 where mandated by N.Y. Not-for-Profit Corp. Law § 909]

Notes

The first optional clause above is applicable if the name of a constituent corporation has been changed.

The second optional clause above is applicable if the corporation is a Type C corporation

The fourth optional clause above is applicable if the corporation is the corporation is a Type A, Type B, or Type C corporation, and optionally if a Type D corporation,

The seventh optional clause above is applicable if the consolidation is to become effective other than upon filing of the certificate of consolidation by the Department of State.

This form is only for consolidation of domestic not-for-profit corporations. For consolidation of domestic and foreign not-for-profit corporations, use § 9:18 or § 9:20, as appropriate. For consolidation of business and not-for-profit corporations, use § 9:27, § 9:29, § 9:30, § 9:32, or § 9:33, as appropriate.

Delivery to Department of State; filings in county offices. The certificate of consolidation is to be delivered to the Department of State and the consolidated corporation shall cause a copy of the certificate, certified by the Department of State, to be filed in the office of the clerk of each county in which the office of each constituent corporation is located and in the office of the official who is the recording officer of each county in this State in which real property of each constituent corporation is situated. N.Y. Not-for-Profit Corp. Law § 904(a), (b).

Approvals and Consents. If the purposes of any consolidated corporation require the approval or consent of any governmental body or officer or any other person or body under N.Y. Not-for-Profit Corp. Law § 404, no certificate of consolidation will be filed pursuant to N.Y. Not-for-Profit Corp. Law Article 9 unless such approval or consent is endorsed thereon or annexed thereto. N.Y. Not-for-Profit Corp. Law § 909. For approval by Supreme Court in the case of Type B or C corporations, see N.Y. Not-for-Profit Corp. Law § 907. As to education corporations, see below in this Notes to Form.

Effect of Consolidation. When the consolidation has been effected:

(1) The consolidated corporation thereafter, consistently with its certificate of incorporation as established by the consolidation, possesses all the rights, privileges, immunities, powers and purposes of each of the constituent corporations. N.Y. Not-for-Profit Corp. Law § 905(b)(1).

(2) All the property, real and personal, including causes of action and every other asset of each of the constituent corporations, vests in such consolidated corporation without further act or deed, except as otherwise provided in N.Y. Not-for-Profit Corp. Law § 907(b). Except as the court may otherwise direct, as provided in NY. Est. Powers & Trusts Law § 8-1.1, any disposition made in the will of a person dying domiciled in this state or in any other instrument executed under the laws of this State, taking effect after such consolidation, to or for any of the constituent corporations inures to the benefit of the consolidated corporation. So far as is necessary for that purpose, or for the purpose of a like result with respect to a disposition governed by the law of any other jurisdiction, the existence of each constituent domestic corporation shall be deemed to continue in and through the consolidated corporation. N.Y. Not-for-Profit Corp. Law § 905(b)(2).

(3) The consolidated corporation shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent corporations. No liability or obligation due or to become due, claim or demand for any cause existing against any such corporation, or any member, officer or director thereof, is released or impaired by such consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent corporation, or any member, officer or director thereof, abates or is discontinued by such consolidation, but may be enforced, prosecuted, settled or compromised as if such consolidation had not occurred, or such consolidated corporation may be substituted in such action or special proceeding in place of any constituent corporation. N.Y. Not-for-Profit Corp. Law § 905(b)(3).

(4) The statements set forth in the certificate of consolidation and which are required or permitted to be set forth in a certificate of incorporation of a corporation formed under the N.Y. Not-for-Profit Corp. Law shall be the certificate of incorporation of the consolidated corporation. N.Y. Not-for-Profit Corp. Law § 905(b)(4).

Education Corporations. In addition to the requirements of N.Y. Not-for-Profit Corp. Law § 909, the consent of the Regents shall be endorsed on or annexed to a certificate of consolidation if any constituent or consolidated corporation was chartered, or formed by special act with a purpose for which a corporation might be created by the regents. N.Y. Educ. Law § 216-a(4)(d)(11).

Appendix S

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:16. Certificate of consolidation; Type B corporation [Form: N.Y. Not-for-Profit Corp. Law § 904]

Certificate of Consolidation of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]*

UNDER N.Y. NOT-FOR-PROFIT CORP. LAW § 904

The undersigned, *[name of president 1]* and *[name of secretary 1]*, being the President and Secretary of *[name of constituent corporation 1]* and *[name of president 2]* and *[name of secretary 2]*, being the President and Secretary of *[name of constituent corporation 2]*, said corporations being domestic corporations organized and existing under and by virtue of the laws of the State of New York, hereby certify:

- (1) The names of the constituent corporations are *[name of constituent corporation 1]* and *[name of constituent corporation 2]*. The name of neither corporation has been changed since the date of filing of its certificate of incorporation by the Department of State.
- (2) The certificate of incorporation of *[name of constituent corporation 1]* was duly filed by the Department of State on *[date of filing certificate of incorporation]* and the certificate of incorporation of *[name of constituent corporation 2]* was duly filed by the Department of State on *[date of filing certificate of incorporation]*.
- (3) Neither constituent corporation has any members or other persons holding any certificates evidencing capital contributions or subventions and neither corporation has ever issued any such certificates.
- (4) The name of consolidated corporation is *[name of consolidated corporation]*.
- (5) The consolidated corporation shall be a corporation as defined in N.Y. Not-for-Profit Corp. Law § 102(a)(5).
- (6) The purposes and objects of the consolidated corporation shall be as follows:
 - a. To assist, aid, direct, manage, and otherwise operate and control facilities connected with the improvement of the conditions of the poor, including community organization, development, planning and operation of such activities as housing, job opportunities and development, counseling and training, and activities of a similar nature maintained for the welfare and benefit of the community as a whole;
 - b. To coordinate efforts of private non-profit social agencies, governmental agencies, school districts, and community volunteers in programs devised under or which shall be devised under the Economic Opportunity Act of 1964;

c. To study, plan, sponsor, encourage, contract for, and administer programs aimed at increasing opportunities for the victims of poverty;

d. To establish, operate, and maintain day care centers in the County of *[name of county]* for children between the ages of three (3) and five (5) years inclusive for a period of two years from the date this certificate of consolidation is filed in the Office of the Secretary of State provided, however, that before each such facility is established and opened the written approval of the State Board of Social Welfare shall be obtained;

e. To organize, operate and maintain a Community Center containing facilities for entertainment, educational and social opportunities for members of the community; to provide recreational, athletic and sports activities for young people under adult supervision; to establish, equip, maintain and operate playgrounds and other recreational areas; to furnish instruction and guidance in trades and industrial occupations and in domestic arts and sciences and such other branches as relate to industrial and commercial education and the construction, equipment and maintenance of buildings or the manufacture of useful or ornamental articles; to construct or acquire or maintain a center for its own activities, as well as for the activities of other community organizations of a non-profit nature as set forth under the provisions of Section 703 of the Housing and Urban Development Act of 1965, and for such other auxiliary and incidental purposes as may be necessary to carry out the foregoing objects;

f. The corporation is not organized for pecuniary profit; it shall have no stock or stockholders and none of the income or surplus assets of the corporation, if any, shall be distributed in dividends to members, or for the personal profit of any individual or non-charitable institution or corporation.

(7) The consolidated corporation shall be a Type B corporation under N.Y. Not-for-Profit Corp. Law § 201.

(8) The office of the consolidated corporation shall be located in the County of *[name of county]*, State of New York.

(9) The names and addresses of the initial directors of the consolidated corporation are:

Name	Address
_____	_____
_____	_____
_____	_____

(10) The Secretary of State of the State of New York is hereby designated the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is *[post office address of secretary of state]*, *[name of city]* City, *[name of county]* County, State of *[name of state]*.

(11) The effective date of the consolidation of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]* is the date of filing of this certificate of consolidation by the Department of State. *[Note: Under N.Y. Not-for-Profit Corp. Law § 905(a), the certificate alternatively may set forth an effective date which is subsequent (not more than 30 days) to the filing date.]*

(12) The plan of consolidation of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]* was approved and adopted by a resolution of the board of directors of *[name of constituent corporation 1]* on *[date of resolution]*, and duly adopted by the members of *[name of constituent corporation 1]*, who authorized the President and Secretary to execute and deliver a certificate of consolidation, by

the affirmative vote of two-thirds of the members casting votes at a meeting of the members duly called and held on the *[ordinal number]* day of *[name of month]*, *[year]*, the votes cast in the affirmative being at least equal to the quorum and all members casting votes being entitled to vote thereon.

(13) The plan of consolidation of *[name of constituent corporation 1]* and *[name of constituent corporation 2]* into *[name of consolidated corporation]* was approved and adopted by a resolution of the board of directors of *[name of constituent corporation 2]* on *[date of resolution]*, and duly adopted by the members of *[name of constituent corporation 2]*, who authorized the President and Secretary to execute and deliver a certificate of consolidation, by the affirmative vote of two-thirds of the members casting votes at a meeting of the members duly called and held on the *[ordinal number]* day of *[name of month]*, *[year]*, the votes cast in the affirmative being at least equal to the quorum and all members casting votes being entitled to vote thereon.

IN WITNESS WHEREOF, the undersigned have, on behalf of each constituent corporation, signed this certificate and hereby affirm it as true under the penalties of perjury this *[ordinal number]* day of *[name of month]*, *[year]*.

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 1]*

[Name of officer]

[Title of officer]

[Name of officer]

[Title of officer]

for *[name of constituent corporation 2]*

[Consents and approvals, see Notes to Form below]

Notes

The consent of the Commissioner of Education was annexed to the certificate of consolidation from which the above form was derived. See N.Y. Not-for-Profit Corp. Law § 404(d). Also

annexed thereto was the approval of the State Board of Social Welfare, which approval authority is now vested in the Commissioner of Social Services. See N.Y. Not-for-Profit Corp. Law § 404(b), Social Services Law § 460-a.

Pursuant to N.Y. Not-for-Profit Corp. Law § 907, a certified copy of the order of the Supreme Court of the judicial district in which the principal office of the consolidated corporation is located, approving the plan of consolidation and authorizing the filing of the certificate of consolidation, was also annexed to the certificate. The waiver of the notice of application by the attorney-general was stamped on said order. See N.Y. Not-for-Profit Corp. Law §§ 404(a) and 909.

See, also, Notes to Form under section 9:15, *supra*.

6. That the aforesaid plan of merger was duly approved in respect of *[name of constituent corporation 1]*, as required by N.Y. Not-for-Profit Corp. Law § 903, *[by the vote in person or by proxy of at least two-thirds of the members of said corporation, at a meeting held for that purpose upon due notice pursuant to said statute, the affirmative votes cast in favor of the plan being at least equal to the quorum as required by N.Y. Not-for-Profit Corp. Law § 613(c)/upon its adoption by the Board of Directors of said corporation pursuant to N.Y. Not-for-Profit Corp. Law § 902, said corporation having no members entitled to vote thereon].*

7. *[Specification of statement similar to paragraph (6) above with respect to other domestic constituent./As required by N.Y. Not-for-Profit Corp. Law § 906(b), the aforesaid plan of merger was approved in respect of [name of foreign constituent] in compliance with the applicable provisions of the law of the jurisdiction wherein the said corporation was incorporated, to wit: [specification of jurisdiction and applicable provisions of law thereof], as follows: [recitation of particulars of approval of plan of merger]].*

8. The objects and purposes of each of the aforesaid constituent corporations to be promoted by the merger proposed herein are as follows: *[specification of objects and purposes of each constituent corporation].*

9. That as to the property, liabilities, and annual income of *[name of constituent corporation 1]*:
(a) The following is a statement of all property of said corporation and the manner in which it is held: *[specification of manner of holding property].*

(b) The following is a statement of all liabilities of said corporation: *[statement of all liabilities].*

(c) The following is a statement of the amount and sources of the annual income of said corporation: *[statement of amount and sources of annual income].*

10. That as to the property, liabilities, and annual income of *[name of constituent corporation 2]*:
(a) The following is a statement of all property of said corporation and the manner in which it is held: *[specification of manner of holding property].*

(b) The following is a statement of all liabilities of said corporation: *[statement of all liabilities].*

(c) The following is a statement of the amount and sources of the annual income of said corporation: *[statement of amount and sources of annual income].*

11. That at the meeting of *[name of constituent corporation]* at which the resolution approving the plan of merger was adopted, *[no votes/[number of votes] votes, out of [number of votes] votes cast]*, were cast against adoption of the resolution, and that at the meeting of *[name of constituent corporation 2]* at which the resolution approving the plan of merger was adopted, *[no votes/[number of votes] votes, out of [number of votes] votes cast,]* were cast against the resolution.

12. That the proposed merger is authorized by N.Y. Not-for-Profit Corp. Law § 901 in that both of the constituent corporations are domestic corporations duly organized under the Not-for-Profit Corporation Law. *[OPTIONAL: [description of facts showing that merger is authorized by laws of foreign jurisdictions for foreign constituent corporations.]*

13. No previous application for the relief prayed for herein has been made.

WHEREFORE, it is jointly requested by *[name of constituent corporation 1]* and *[name of constituent corporation 2]* that an order be made herein, pursuant to N.Y. Not-for-Profit Corp.

Law § 907, approving the aforesaid plan of merger and authorizing the filing, pursuant to N.Y. Not-for-Profit Corp. Law § 904, of the Certificate of Merger of *[name of corporation 1]* and *[name of corporation 2]* Into *[name of consolidated corporation]* Under N.Y. Not-for-Profit Corp. Law § 904, and granting such other and further relief as may be just and proper.

[Name of affiant 1]

[Name of affiant 2]

[Jurat]

[Exhibit [designation of exhibit] annexed]

Notes

The optional clause above is applicable if any of the constituent corporations are foreign corporations.

The application must be made by all constituent corporations jointly. N.Y. Not-for-Profit Corp. Law § 907(a).

Application for the order may be made in the judicial district in which the principal office of the surviving or consolidated corporation is to be located, or in which the office of one of the domestic constituent corporations is located. N.Y. Not-for-Profit Corp. Law § 907(a).

Education Corporations. The provisions of N.Y. Not-for-Profit Corp. Law § 907 are not applicable to education corporations. N.Y. Educ. Law § 216-a(4)(c).

See, also, Notes to Form under § 9:21, *supra*.

Appendix U

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Chapter 9. Not-for-Profit Corporation Law Article 9—Merger or Consolidation

§ 9:23. Order approving merger [Form: N.Y. Not-for-Profit Corp. Law § 907]

At a Term, Part _____, of
the Supreme Court of the
State of New York, held in
and for the County of
_____, at _____, on the
_____ day of _____,
_____.

Present: Hon. *[name of justice]*, Justice.

[Add title of cause. See § 9:21, supra]

ORDER

Index No. _____

[Name of constituent corporation] and *[name of other constituent corporation]* having duly made joint application for an order, pursuant to N.Y. Not-for-Profit Corp. Law § 907, approving the plan of merger of said corporations and authorizing the filing of a certificate of merger in accordance with N.Y. Not-for-Profit Corp. Law § 904, and said application having regularly come on to be heard,

Now upon reading the order to show cause dated *[date of order]*, the joint affidavit of *[name of president 1]*, President of *[name of constituent corporation]* and *[name of president] 2*, President of *[name of other constituent corporation]*, sworn to on *[date of oath]*, and the plan of merger designated Exhibit *[designation of exhibit]* herein, and the certificate of merger of said corporations into *[name of surviving corporation]* under N.Y. Not-for-Profit Corp. Law § 904, all in support of the application, and the affidavit of *[name of affiant]*, sworn to on *[date of oath]*, in opposition thereto, and after hearing *[name of attorney for applicants]*, Esq. for the applicants in support of the application and *[specification of any person interested who appeared in opposition at hearing, whether in person or by counsel]* in opposition thereto, and after due deliberation having been held thereon, and it appearing that the interests of the constituent corporations and the public interest will not be adversely affected by the proposed merger,

Now, upon motion of *[name of attorney for applicants]*, attorney for the applicants, it is ORDERED, that the plan of merger between *[name of constituent corporation]* and *[name of other constituent corporation]* designated Exhibit *[designation of exhibit]* herein, be and the same hereby is approved, and it is further

ORDERED, that the aforesaid certificate of merger is authorized to be filed by the Department of State in accordance with N.Y. Not-for-Profit Corp. Law § 904, to which certificate a certified copy of this order shall be annexed, and it is further

ORDERED, *[if the court finds that any of the assets of any of the constituent corporations are held for a Type B purpose or are legally required to be used for a particular purpose, but not*

upon a condition requiring return, transfer or conveyance by reason of the merger, it may, in its discretion, pursuant to N.Y. Not-for-Profit Corp. Law § 907(c), direct that such assets be transferred or conveyed to the surviving corporation (or the consolidated corporation in case of a consolidation) subject to such purpose or use, or that such assets be transferred or conveyed to the surviving (or consolidated) corporation or to one or more other domestic or foreign corporations or organizations engaged in substantially similar activities, upon an express trust with court approved terms], and it is further ORDERED, [specification of any other terms or conditions prescribed by court].

Enter,

Dated: *[date of order]*

[Name of judge]

[Title of judge]

Entered on *[date of entry of order]*.

[Name of court clerk]

[Title of court clerk]

Notes

If it appears to the satisfaction of the court that the provisions of N.Y. Not-for-Profit Corp. Law § 907 have been complied with, and that the interests of the constituent corporations and the public interest will not be adversely affected by the merger or consolidation, the court should approve the merger or consolidation upon such terms and conditions as it may prescribe. N.Y. Not-for-Profit Corp. Law § 907(e).

Modification of Plan. If the court finds that the interests of non-consenting members are or may be substantially prejudiced by the proposed merger or consolidation, it may disapprove the plan or may direct a modification thereof. In the event of a modification, if the court finds that the interests of any members may be substantially prejudiced by the proposed merger or consolidation as modified, it should direct that the modified plan be submitted to vote of the members of the constituent corporations, or if the court finds that there is not such substantial prejudice, it should approve the agreement as so modified without further approval by the members. If the court, upon directing a modification of the plan of merger or consolidation, directs that a further approval be obtained from members of the constituent corporations or any of them, such further approval must be obtained in the manner specified in section 903 or section 906(b) of the N.Y. Not-for-Profit Corp. Law. N.Y. Not-for-Profit Corp. Law § 907(d).

BIBLIOGRAPHY

Books:

JACK W. SNOOK & JEFFREY D. JOHNSON, COOPERATIVE SERVICES THROUGH CONSOLIDATIONS, MERGERS AND CONTRACTS: MAKING THE PIECES FIT (Mary Jo Wagner ed., Jones & Bartlett Publishers, Inc., 1997).

Statutes:

N.Y. TOWN LAW Article 11.

N.Y. TOWN LAW Article 11-A.

N.Y. NOT-FOR-PROFIT CORP. LAW Article 9.

N.Y. GEN. MUN. LAW Article 5-G.

N.Y. GEN. MUN. LAW Article 11-A.

Forms:

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:2.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:4.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:7.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:8.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:9.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:10.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:14.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:15.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:16.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:21.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:22.

19A West's McKinney's Forms Not-for-Profit Corporation Law § 9:23.

24 West's McKinney's Forms Town Law §172 Form 1.

24 West's McKinney's Forms Town Law §172 Form 2.

24 West's McKinney's Forms Town Law §172 Form 3.

24 West's McKinney's Forms Town Law §172 Form 4.

24 West's McKinney's Forms Town Law §172-b Form 1.

24 West's McKinney's Forms Town Law §172-b Form 2.

24 West's McKinney's Forms Town Law §172-b Form 3.

24 West's McKinney's Forms Town Law §172-b Form 4.

Other:

NYS Department of State, Albany Law School/Government Law Center, Shared Municipal Services Technical Assistance Project, Case Study Template

<http://www.dos.state.ny.us/lgss/smsi/smsicasestudies/MoriahFireDepartmentsCaseStudy.pdf>

County of Albermarle and City of Charlottesville, Virginia, Regional Fire and Rescue Study

<http://www.cvilletomorrow.org/docs/20070420-Fire-Rescue-Consolidation.pdf>

Advisory Study of Merger of the Larchmont Fire Department and the Town of Mamaroneck Fire District http://www.lfdny.org/Merger2007_203.pdf

Fire Department Consolidation, A View From Those Effected (an applied research project submitted to Eastern Michigan University, August 2001)

<http://www.emich.edu/cerns/downloads/papers/FireStaff/Managing%20the%20Fire%20and%20EMS%20Service/Fire%20Department%20Consolidation.pdf>

Successful Fire Department Consolidations and Their Implications for the Coventry Fire Departments (an applied research project submitted to the Coventry Emergency Services Affiliated Fire Districts, October 2004)

http://www.dccwf.org/main/download.php?pdf=bench/Sample-Benchmarking-Report-No-1_COVFD

The Reorganization of Local Government:

A Summary of the Government Reorganization Processes



General Municipal Law Article 17-A provides a unified process for the consolidation and dissolution of local government entities. The process is applicable to towns, villages, fire and fire protection districts, special improvement districts, other improvement districts created pursuant to Articles 11, 12, 12-a or 13 of Town Law, and other districts created by law. **It excludes school districts, city districts, or special purpose districts created by counties under County Law.**

Under Article 17-A of General Municipal Law there are two different methods for local governments to consider: Board-Initiated or Citizen-Initiated. The process for either consolidation or dissolution is the same. The following is a brief outline of the processes found in Article 17-A.

Procedural details may be found in the Department of State publications:

- *The New N.Y. Government Reorganization and Citizen Empowerment Act*
- *The New N.Y. Government Reorganization and Citizen Empowerment Act: A Summary of the Process for Consolidation and Dissolution*

VOTER- INITIATED REORGANIZATION

Article 17-A of General Municipal Law provides a process for voters to petition for a public vote on consolidating or dissolving their local government. Only voters registered in the local government entity may sign consolidation petitions, or serve as the contact person for the petition [§757(3)].

Unlike a board-initiated reorganization, in a voter-initiated process the consolidation agreement or dissolution plan will not be developed until after the referendum on whether to consolidate or dissolve passes. The plan must contain the same information as one prepared in a board-initiated process. Once a proposed plan is prepared by the governing bodies, voters have the opportunity to conduct another petition drive to require a second referendum, this time on the plan itself. If that drive is successful and another referendum is held, it too must pass in order for the reorganization to take effect.

If the governing bodies are unable or unwilling to prepare and approve a reorganization plan, five voters who signed the original petition may bring a C.P.L.R. Article 78 action in state Supreme Court. Depending on its findings, the court may refer the matter to mediation or issue an injunction compelling the governing bodies to act. If the governing bodies still fail to act, the court may appoint a judicial hearing officer to develop and approve a plan [§764].

A petition must contain, for each governmental entity to be consolidated or dissolved, the signatures of 10 percent of the registered voters in that entity or 5000 signatures, whichever is less. However, if a governmental entity to be reorganized has 500 or fewer registered voters, signatures of at least 20 percent of the voters are required.

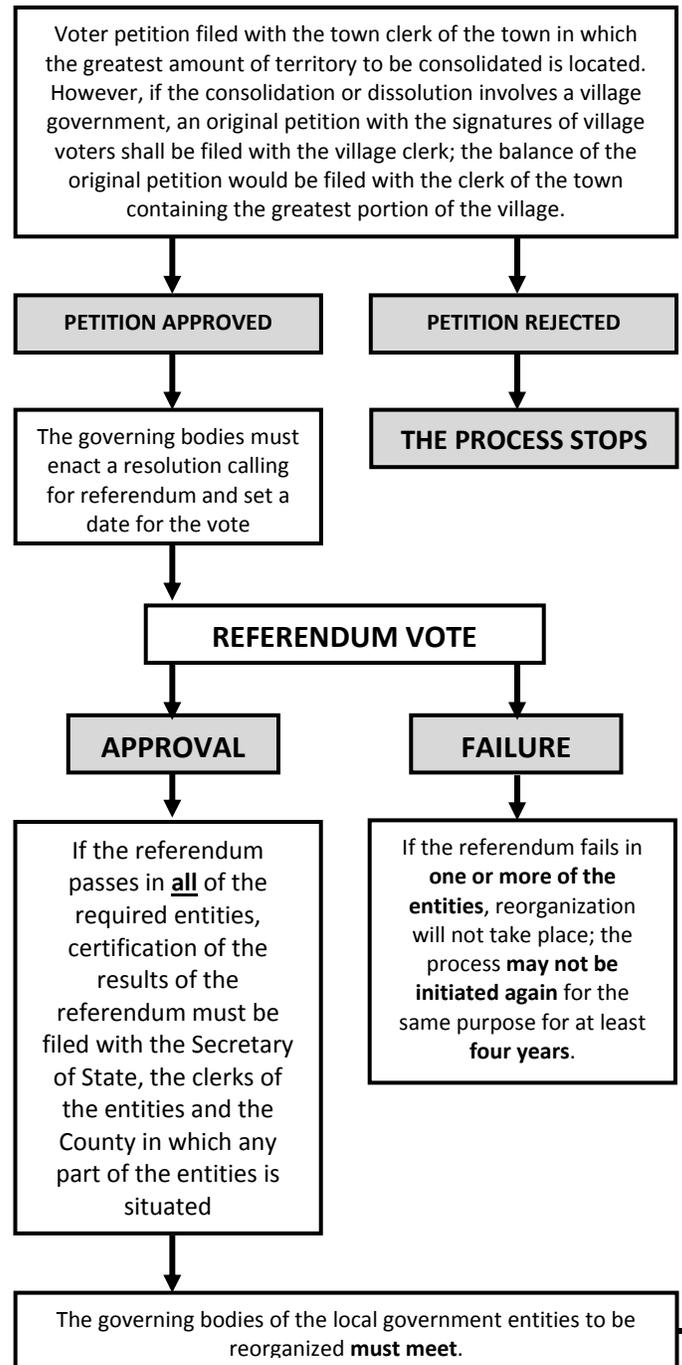
Within 10 days final determination regarding the sufficiency of the number of signatures on the petition is made by the clerk

Within 30 days of the clerk's determining the validity of the petition

Summary of the petition is to be published at least once each week for four successive weeks prior to the referendum.

Within 60 to 90 days

Within 30 days of certification of the results



The governing bodies must prepare a reorganization plan and approve it by resolution.

Within 180 days

The approved reorganization plan must be displayed, posted on websites and published at least once each week for four successive weeks.

No later than 5 business days after the plan is approved

One or more public hearings on the proposed agreement or plan must be held. These hearings may be held jointly or separately and public notice must appear in a newspaper of general circulation within each entity, and on any entity's website.

Within 35 to 90 days after the plan is approved

After the final hearing, the governing body may amend the proposed agreement or plan.

No later than 5 business days after the plan is amended, a summary and copy of the plan must be displayed within each entity and posted on a

Approval of the final agreement or plan

Within 60 days from the close of the last public hearing

REORGANIZATION

The date specified in the plan for the local government entities to reorganize must be a minimum of 45 days after the approval date of the final plan

PETITION

Within 45 days after the governing body approves the final plan, the voters may file a petition, with the clerk of the town where the entity is located or where the greater portion of its territory is located, requiring a referendum on the reorganization plan. If the entity is a village the original petition must be filed with the village clerk. This petition must contain the signatures of at least 25 percent of the voters in the entity, or 15,000 signatures, whichever is less.

PETITION APPROVED

Within 10 days final determination regarding the sufficiency of the number of signatures on the petition is made by the clerk

The governing bodies must enact a resolution calling for referendum and set a date for the vote

Within 30 days of the clerk's determining the validity of the petition

REFERENDUM VOTE

Within 60 to 90 days

Summary of the plan is to be published at least once each week for four successive weeks prior to the referendum.

APPROVAL

If the referendum passes in **all** of the required entities reorganization shall take effect on the date specified in the plan

FAILURE

If the referendum fails in **one or more of the entities**, reorganization will not take place

BOARD-INITIATED REORGANIZATION

The statutory process, when initiated by the governing body of the participating local government entities, begins with a resolution by the governing bodies endorsing a proposed joint consolidation agreement or dissolution plan.

However, the process of reorganization may start many months before the statutory process begins. With a board initiated reorganization process the board(s) may conduct a study to determine the possible impacts associated with reorganization. As outlined in the previous section, by taking the time to study the impacts of reorganization, both the governing body and the public will be able to evaluate the impacts of reorganization before making the decision to reorganize.

Once a proposed joint consolidation agreement or dissolution plan is adopted by the local government entities involved, the board-initiated consolidation proceeds as follows:

Within 5 business days after the proposed joint consolidation agreement or proposed dissolution plan is adopted

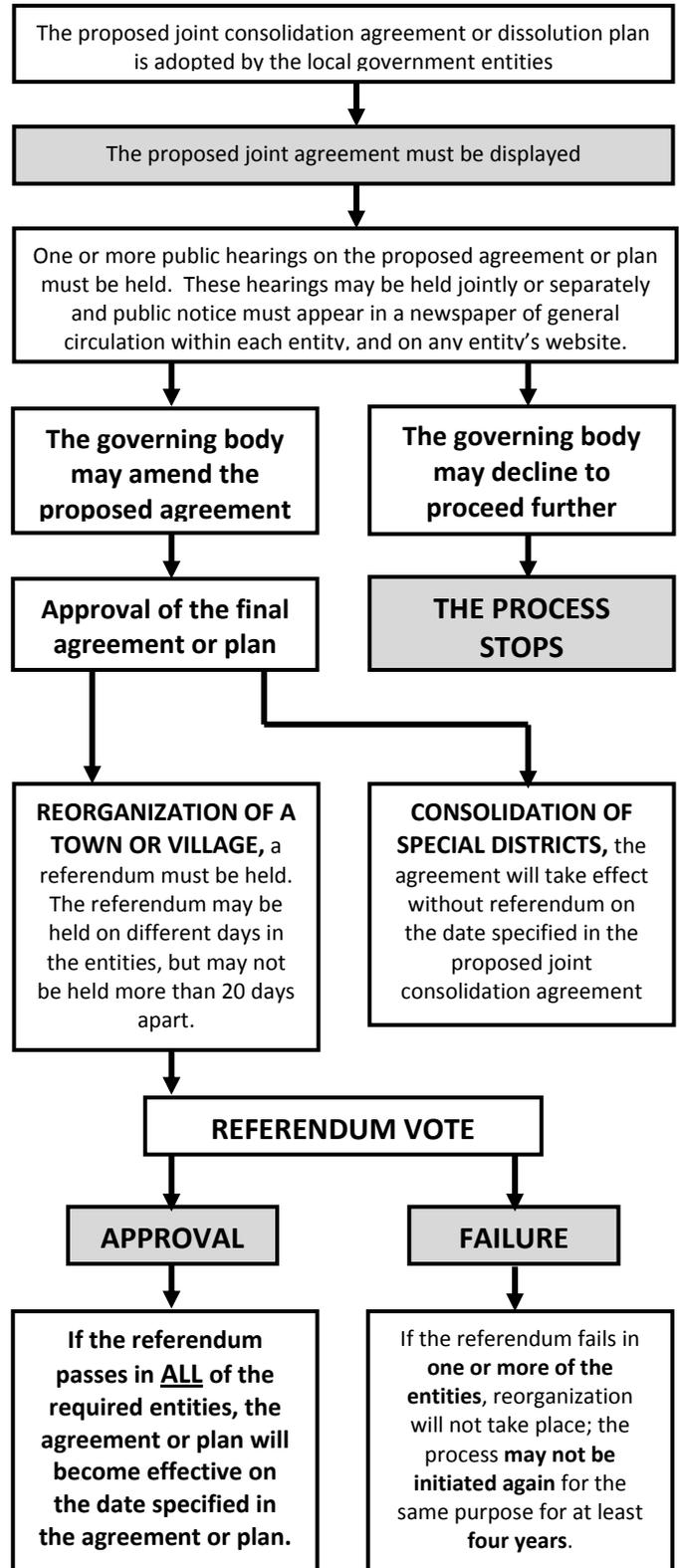
Within 35 to 90 days after the proposed joint consolidation agreement or proposed dissolution plan is adopted.

After the final hearing on the proposed joint consolidation agreement or proposed dissolution.

Within 180 days from the close of the last public hearing.

Within 60 to 90 days, or if a general election falls within such period, the referendum may be held at the general election.

Notice of the referendum is to be published at least once each week for four successive weeks prior to the referendum.



Lysander fire protection study released

Merging fire organizations, new equipment on the table

By [Erin Wisneski](#)

[As of Tuesday, December 20, 2011 -8:04 a.m.](#)

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Baldwinsville — Lysander fire officials are on the right track, according to an independent study recently released by independent consultant Michael P. Dallessandro.

Commissioned by the fire districts and departments serving the town of Lysander in order to provide a snap shot of current operations and obtain an external review of services, the report provides recommendations on buildings and facilities, apparatus fleets, management practices, shared service possibilities and long range planning. Dallessandro also highlights areas of excellence in the report.

“The Lysander Public Safety Committee/C.O.D.E.S. really must be credited for some progressive work on behalf of their area fire departments,” Dallessandro said in his report. “It is not believed that a group as dedicated and active in promoting the positives of the fire service exists anywhere in our state. Clearly this group gets their hands dirty and has done great things for the fire service.”

Dallessandro noted the LPSC’s extensive work on public education and fire prevention, recruitment and retention and interaction with area schools to connect with a future generation of firefighters in addition to filling a true training need by conducting NYS firefighter training courses and classes under the watchful eye of NYS Certified Fire Instructors who are from Lysander area fire departments.

“These training efforts have resulted in volunteer firefighters receiving county and state level classes much faster than they ever would have if they had waited for the annual state calendar to come around,” he said noting a shortage of state courses primarily due to budgetary constraints. “[This] group has found a way to bridge that gap in a very positive way.”

Paid for by a majority of the fire protection entities serving the town with additional funding provided by the Town of Lysander and Onondaga County through grants, the assessment was conducted on the following districts/departments: Baldwinsville Volunteer Fire Company, Belgium Cold Springs Fire District, Cody Fire District, Enterprise Fire Company (Phoenix), Lysander Fire District, Plainville Fire District, and the Seneca River Fire District. LPSC Chairman Tom Perkins complimented the participating departments “for having the courage to take a good look in the mirror to assure they are doing right by the district taxpayers and the people they protect.”

Lysander approves two fire contracts

By [Erin Wisneski](#)

[As of Tuesday, January 3, 2012 -7:52 a.m.](#)

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Baldwinsville — During the Dec. 12 town board meeting, Lysander officials approved two fire contracts; one for the Smokey Hollow Fire Protection District and one for the West Phoenix Fire Protection District.

Approval came after public hearings were held for each of the contracts.

The 2012 Smokey Hollow FPD contract increased by \$6,000 from 2011 resulting in a total of \$303,231.69 for fire protection services from the Baldwinsville Volunteer Fire Company for 2012.

The 2012 West Phoenix FPD contract increased by \$4,500 from 2011 resulting in a total of \$94,416.11 for fire protection services from the Enterprise Fire Company No. 1 (of Phoenix) for 2012.

TOWN WIDE FIRE SERVICE STUDY
APPROVAL TO PARTICIPATE IN

RES. #104/2011 Motion by Bullis, Second by Levy

RESOLVED the Town of Lysander participate in a Town wide Fire Services study to be conducted by the Lysander Public Safety Committee at a cost not to exceed \$5,000.00.

VOTE:

Supervisor Bullis

Yes

Councilor May

Yes

Councilor Krisanda

Yes

Councilor Levy

Yes

Councilor Reed

Yes

All Ayes, Motion Carried and Adopted

A conversation ensued among the Board and the audience and following comments were made:

- The study is not being paid for by a grant and the money will be coming out of the Town's contingency account.
- That the Village of Baldwinsville and the Town of VanBuren is not contributing to the study as the study is only of the fire departments that are within the Town of Lysander
- That other fire departments in the Town are contributing financially to this study as well as Onondaga County.
- That this study was not forced on the fire department by the Town and that the fire departments themselves reached a conclusion on their own that they wanted to participate in this study. Everyone in the room agreed that this is something that needed to be done once the parameters were outlined.
- The study is a way to see how fire service can be done more efficiently. Safety issues, as well as standardization, and consolidating of purchasing will most likely be looked at.
- The results of the study may suggest consolidation of departments and/or operational resources.
- That the Fire Departments are made up of volunteers and if there was a loss of volunteers, paid districts may have to be formed and this would increase taxes significantly.
- The general consensus from the fire department officials involved is that they are being proactive and are all willing to act on what the results of the study are.
- One benefit of paying for a study is that there will be an outside, objective look from a disinterested party.
- Will spending this money really solve the problems that are in these fire districts.
- That "turf wars" will still exist and what is the chance that the districts will comply with the study results.

CONSIDER THIS: CONSOLIDATION'S CURSE

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By [The Post-Standard Editorial Board](#) The Post-Standard

How hard it is to consolidate fire companies in Onondaga County? It might be easier to turn Onondaga Lake's water into wine. Consider recent history:

The new study recommending mergers of the Lysander, Plainville and Seneca River departments is at least the fourth such undertaking in Onondaga County. The other three came to naught, including one in 2009 that called for 15 departments in Van Buren and nearby towns to merge into one regional fire district.

Seneca River was preparing to merge with the Belgium-Cold Springs fire district several years ago, but the deal fell through.

The Elbridge and Jordan fire companies were set to merge last spring. The bold plan lasted about a week.

The Memphis and Warners companies did merge last July — though the Warners chief made it clear operations would not change in the “Memphis Warners Fire District.”

A proposal to combine the eastern Onondaga County departments of Minoa, Kirkville, Fayetteville and Manlius surfaced last year. No results thus far. Meanwhile, a new \$6.45 million firehouse in the village of Fayetteville has boosted taxes for all residents in the surrounding fire district.

Last July, Charles Jennings, who teaches fire science at John Jay College of Criminal Justice, told staff writer Marnie Eisenstadt he has done consolidation studies for fire departments that determined they should not have invested in new equipment, or should have built their new station somewhere else. Until the state or county steps in, he said, little will change. “It will be a couple of hundred years before we have any meaningful consolidation,” he concluded.