



**Village of Candor
Dissolution Study & Plan**
Study Committee Official Public Hearing
December 6, 2010

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Report by the Dissolution Study Committee

- ▶ **Representing the Village**
 - ▶ Gwen Isham (Committee Chair)
 - ▶ Jerry Ahart
 - ▶ Bob Houck
 - ▶ Frank Musgrave
 - ▶ Fred Quinlan
 - ▶ Teresa Twarz
- ▶ **Representing the Town**
 - ▶ Butch Crowe
 - ▶ Steve Truesdail
- ▶ **Ad-Hoc Members (non-voting)**
 - ▶ Steve Sparling, Village Mayor
 - ▶ Darlene Cobler, Town Supervisor

Role of the Committee

- ▶ The Dissolution Process being followed in Candor is governed by Village Law Article 19, which requires a Dissolution Study Committee
- ▶ The Committee is required to prepare a Dissolution Plan to present to the Village Board
- ▶ The Plan must recommend options for how village assets, liabilities, obligations, personnel and services would be handled if village residents vote in favor of dissolution
- ▶ The Plan does not represent individual Committee members' opinions about dissolution, but does represent the consensus of the Committee for dealing with these areas in the event of dissolution

Topics for Tonight

- ▶ Review Process to Date
- ▶ What Would Change if the Village Dissolves – The Dissolution Plan
 - ▶ Services
 - ▶ Assets
 - ▶ Taxes
- ▶ The Next Steps up to a potential Vote on March 15, 2011

Committee Process Over the Last 8 Months

- ▶ Three key phases resulted in the following reports to the community:
 - ▶ **What Exists Report** – describes how the Village and Town currently provide municipal services
 - ▶ **Options Report** – identifies viable alternatives for delivering the services and functions currently provided by the Village
 - ▶ **Dissolution Plan** – outlines how the functions and services of the Village would be continued, eliminated, or changed if the Village dissolves, and also the fiscal and tax implications of dissolution

- ▶ Public feedback and suggestions requested throughout the process:
 - ▶ Start of each Committee meeting
 - ▶ Four public meetings, including a presentation to the joint boards and the public on October 18
 - ▶ Tonight’s Official Public Hearing

- ▶ Reports and information available at the project website: www.cgr.org/candor

Candor: Current Village and Town Employees

Current Staffing - Village & Town					
Area	VILLAGE		TOWN		Totals
	Full Time	Part Time	Full Time	Part Time	
DPW / Highway	1		11		12
Police		1			1
Court		2		2	4
Administration		2	1	3	6
Assessor				1	1
Code Enforcement		1	1		2
Animal Control				2	2
Crossing Guard		1			1
Seasonal (DPW)		1			1
<i>Totals</i>	1	8	13	8	30

Notes: In Town, PT administration includes Supervisor.

What Would Change if Village Dissolves

- ▶ Elimination of Services:
 - ▶ Village Police service
 - ▶ Brush pick up and annual Junk Day
- ▶ Village Water will become Town Water Special District – no change
- ▶ Town will provide:
 - ▶ Elected Representation
 - ▶ Clerk/Administration
 - ▶ DPW/Highway
 - ▶ Code Enforcement, Assessor, Justice, Animal Control
 - ▶ Water usage fees to new Water District (est. \$1,094)

What Would Change if Village Dissolves

- ▶ Direct Cost Savings by:
 - ▶ Eliminating Mayor and trustees positions- \$9,370
 - ▶ Eliminating Clerk-Treasurer positions & related expenses - \$25,723
 - ▶ Village employee benefits - \$12,803
 - ▶ Eliminate Code Enforcement function - \$3,520
 - ▶ Eliminate Village Justice position – \$7,750
 - ▶ Eliminate Village Police service - \$24,287
 - ▶ Workers Compensation and Unemployment Insurance- \$2,600
 - ▶ Election Expenses - \$320
 - ▶ Reduced legal services and expenses - \$5,740
 - ▶ Eliminate Village contingency funds - \$10,765
 - ▶ Transfer DPW Garage expense to Water District - \$780 (Note – this is a NET savings after DPW staff costs transfer to the Town)
 - ▶ Eliminate Junk Day - \$1,478
 - ▶ Fire District to pay for siren - \$200

Tax Impact

- ▶ NOTE – AIM Consolidation Incentive Money from NYS
 - ▶ Dissolution plan required to show tax impact with and without New AIM
 - ▶ New AIM estimate = \$220,579
- ▶ After other adjustments for moving expenses and revenues between town and village and districts, the net annual reduction in property taxes would be:
 - ▶ \$104,242 without New AIM
 - ▶ \$324,822 with New AIM

Table 4 on page 8 and Table 7 on page 10 of "Options Report."
 Note: If DPW staff elects full benefit coverage as Town employee projected net reduction without New AIM would be \$94,898

Post Dissolution – Total Tax Levy Estimates

Candor Post-Dissolution Tax Levy Calculation		% Change
Village and Town Combined Tax Levy	\$1,710,028	
<i>Impact of Dissolution</i>	-\$104,242	-6%
Post-Dissolution Levy (no New AIM)	\$1,605,786	
<i>Impact of AIM Increase</i>	-\$220,579	-19%
Post-Dissolution Levy (with New AIM)	\$1,385,206	

Note: Current Village and Town combined tax levy based on 2010 FY budgets. Does not include fund balance. Includes \$36,501 of current State Aid to the Town.

Important Concepts

- ▶ Three Tax Centers
 - ▶ Village (V)
 - ▶ Town (T)
 - ▶ Town Outside Village (TOV)

- ▶ The Property Tax Rate is calculated by taking the Total Tax Levy (the net costs of expenses less applied revenues) divided by the Total Taxable Assessed Value (TAV) times 1,000.
 - ▶ Property Tax Rate = (Total Tax Levy / TAV) * 1,000

Candor: Current Tax Rates

Current Tax Rates per \$1,000 AV for a Village and TOV Taxpayer		
	Village	TOV
County	\$119.20	\$119.20
Townwide	\$58.77	\$58.77
TOV	n/a	\$14.31
Village	\$73.15	n/a
County Recycling Charge	\$4.97	\$4.97
Fire District	\$21.86	\$21.86
TOTAL	\$277.95	\$219.11

New Tax Rates Without New AIM

New Tax Rates per \$1,000 AV (no AIM incentive used toward property taxes)		
	Village	TOV
County	\$119.20	\$119.20
Townwide	\$86.26	\$86.26
TOV	-	-
Village	-	-
County Recycling Charge	\$4.97	\$4.97
Fire District	\$21.86	\$21.86
TOTAL	\$232.29	\$232.29

Data from Table 9 on page 11 and Table 10 on page 12 of "Options Report."

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New Tax Rates With New AIM

Projected Tax Rates per \$1,000 AV (100% AIM incentive used toward property taxes)		
	Village	TOV
County	\$119.20	\$119.20
Townwide	\$74.41	\$74.41
TOV	-	-
Village	-	-
County Recycling Charge	\$4.97	\$4.97
Fire District	\$21.86	\$21.86
TOTAL	\$220.44	\$220.44

Data from Table 9 on page 11 and Table 11 on page 12 of "Options Report." Assumes all New AIM is applied as tax reduction.

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What Is the Dissolution Plan?

- ▶ If approved by the Village Board, the Plan is the document that says what is expected to happen if the Village dissolves
- ▶ If the dissolution is approved in March 2011, the Village will continue until December 31, 2012
- ▶ If the Village dissolves, the Town government takes over
- ▶ The Town board is expected to follow the Plan in general
 - ▶ Unless the Plan says otherwise, the Town must keep codes, laws, ordinances etc. of the former Village for two years
 - ▶ The Town Board has the right to act as needed for the best interest of the community

Dissolution Plan Section A

- ▶ Continuation of Village Functions
 - ▶ Town will assume all major functions
 - ▶ Water will become a Town special district paid for by user fees
 - ▶ Street lights will become a Town wide expense
 - ▶ Clerk, Justice, and code enforcement duties will be folded into the Town
 - ▶ Police protection services will be provided by the County Sheriff and State Police

Dissolution Plan Section B

Impact on Employees

- ▶ Ten employee positions will be eliminated:
 - ▶ Mayor
 - ▶ 4 Trustees
 - ▶ Village Clerk, part-time position
 - ▶ Deputy Clerk-Treasurer, part-time position
 - ▶ Code Enforcement Officer, part-time, as needed position.
 - ▶ Village Justice
 - ▶ Police Officer, part-time position

- ▶ The following three positions will transfer to the Town:
 - ▶ Superintendent of Public Works, will become an employee of the Town Highway Department with a portion of this position shared with the Water District
 - ▶ Part-time back-up water operator will transfer to the Town Water District
 - ▶ School Crossing Guard

Note: water billing duties of the clerk and deputy clerk position will transfer to the Town water district.

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Dissolution Plan Section C

- ▶ Disposition of Village Property
 - ▶ All buildings and assets at the time of dissolution will transfer to the Town at no cost, with the exception of:
 - ▶ DPW garage will transfer to the water district
 - ▶ Water facilities and assets will be assigned to the water district, with the exception of:
 - ▶ Water department vehicles will be transferred to the Town

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Dissolution Plan Section D

- ▶ Village Laws and Ordinances
 - ▶ In general – all Village laws and ordinances will be kept and folded into Town law, except:
 - ▶ Five Ordinances that are outdated or no longer applicable

Dissolution Plan Section E

- ▶ Village Debt
 - ▶ The Village has no general fund debt
 - ▶ Current water debt will be assigned to the special water district and will continue to be paid off as part of the user fee costs

Dissolution Plan Section F

- ▶ Village Fund Balances
 - ▶ If the Village dissolves, any fund balances will be used to help Village tax-payers prior to 12/31/12, including covering anticipated transition costs. Transition costs will include unemployment benefits.
 - ▶ Any remaining general fund balance will be transferred to the Town and applied as a tax stabilization fund
 - ▶ Fund balances in the water fund will be transferred to the water district

Dissolution Plan Section G

- ▶ Retired Employees
 - ▶ There are no retired employees receiving benefits from the Village, so there will be no future obligations on the Town.
 - ▶ NOTE – current or past Village employees who paid into the New York State Retirement System will continue to receive their retirement benefits from the State. Village dissolution will have no effect on their benefits.

Dissolution Plan Section H

- ▶ Recurring Obligations
 - ▶ The Village has no ongoing recurring obligations that would transfer to the Town, with the exception of the understanding with the school for use of unbilled water, which will become a water district obligation
 - ▶ Existing agreements that extend past 12/31/12 would become the responsibility of the Town (e.g. library agreement)

Dissolution Plan Section I

- ▶ Change in Revenues
 - ▶ All revenues the Village currently receives will become Town revenues.
 - ▶ Additional AIM (Aid and Incentive to Municipalities) funding will be provided to the Town by the State as a consolidation incentive if that program is continued in future years. Under current law, Candor is projected to receive \$220,579 annually.

Dissolution Plan Section J

- ▶ Village Books and Records
 - ▶ All Village books and records will be transferred to the Town Clerk

Dissolution Plan Section K

- ▶ Fiscal Impact of Dissolution
 - ▶ Discussed in previous slides
 - ▶ Sample impact on an averaged assessed home of \$6,600 (\$82,500 market value) is shown in the next two slides

Impact on Average Property without New AIM

Candor Post-Dissolution <u>Local</u> Tax Rate Impact Without New AIM Incentive					
	Current per \$1,000	New per \$1,000	Change	Total Tax Bill Change (on \$6,600 assessed value)	% Change
Village	\$131.92	\$86.26	-\$45.66	-\$301.38	-35%
TOV	\$73.08	\$86.26	\$13.18	\$86.96	18%

Notes: Excludes County, Recycling and fire district tax.

Table 10 on page 12 of Options Report.

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Impact on Average Property with New AIM

Candor Post-Dissolution <u>Local</u> Tax Rate Impact Applying 100% New AIM					
	Current per \$1,000	New per \$1,000	Change	Total Tax Bill Change (on \$6,600 assessed value)	% Change
Village	\$131.92	\$74.41	-\$57.51	-\$379.57	-44%
TOV	\$73.08	\$74.41	\$1.33	\$8.78	2%

Notes: Excludes County, Recycling and fire district tax. Assumes all New AIM used to reduce the tax levy.

Table 11 on page 13 of Options Report.

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Dissolution Plan Section L

- ▶ Collection of Necessary Taxes and Assessments
 - ▶ The Town will be responsible for levying and collecting taxes and special district charges upon dissolution of the Village

Dissolution Plan Section M

- ▶ Agreements Between the Village and Town
 - ▶ The Plan becomes the agreement between the Town and the Village. The Town Board has not entered into an MOU (memorandum of understanding) as of this date.

Dissolution Plan Section N

▶ Other Matters

“Are there alternatives to the current government structure short of dissolving the Village?”

- ▶ The Committee considered shared services alternatives and concluded several key services are already being provided by the Town (assessor, vital records, animal control, historian).
- ▶ The Committee reviewed all remaining functional areas and believe efficiency savings could be achieved through the functional consolidation of: Code Enforcement and Courts.
- ▶ The Committee recommends giving voters the opportunity to vote on whether or not to dissolve the Village.

The Next Steps in the Process

- ▶ December 6 – Official Public Hearing on Dissolution Plan
- ▶ Final Plan Transmitted to Village Board – by December 31
- ▶ If the Village Board chooses to do so, a referendum to dissolve the Village, based upon the Dissolution Plan adopted by the Board would be put up to a vote
- ▶ Board holds public hearing mid-February
- ▶ Registered Village Voters get to vote on March 15, 2011
- ▶ If approved, Village would dissolve December 31, 2012



**Frequently Asked Questions
Village of Candor
Dissolution Study & Plan
12-6-10**

Why can only Village residents vote?

- ▶ The Village of Candor was established by a group of Town citizens who voted to be taxed differently for their services and to be governed by another group of elected representatives – the Village Board.
- ▶ Now, 110 years later, Village voters are the ones to decide whether to remain separate or to dissolve this structure.
- ▶ New York State law provides that only village residents can vote to dissolve their village.

Why does the tax rate for Town-Outside-Village (TOV) go up if the village dissolves?

- ▶ **The tax levy** is the amount of money raised by local government through property taxes to cover costs of services (expenses less applied revenues).
- ▶ The **tax rate** is the amount a taxpayer is taxed, usually expressed as a rate per \$1,000 of a property's assessed valuation. The tax rate is determined by dividing a municipality's tax levy by its total assessed valuation (TAV).
- ▶ In the Town of Candor, the TOV has a greater total assessed value compared to the Village.

Note: The Town/Village TAV Ratio: 89:11

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Are there recent examples where a village and town in New York have consolidated?

- ▶ Between January 2008 and November 2010, 18 village dissolution votes were held.
 - ▶ 7 villages voted for dissolution and 11 rejected it
- ▶ The 7 villages voting for dissolution under Article 19 where a Dissolution Plan was required include (village population in parentheses):
 - ▶ Pike (382),
 - ▶ Limestone (411)
 - ▶ East Randolph (630)
 - ▶ Randolph (1,316)
 - ▶ Seneca Falls (6,861)
 - ▶ Perrysburg (408)
 - ▶ Altmar (351) Note - Altmar under Article 17 A where no dissolution plan required before the vote

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Since 2008, 11 Villages Voted Not to Dissolve

- ▶ Under Article 19 – Required Dissolution Plan before Vote:
 - ▶ Port Henry (1,152)
 - ▶ Speculator (348)
 - ▶ Johnson City (15,535)
- ▶ Under Article 17A – No Dissolution Plan required before Vote:
 - ▶ Brockport (8,103)
 - ▶ Farnham (322)
 - ▶ Lakewood (3,258)
 - ▶ Sloan (3,450)
 - ▶ Williamsville (5,573)
 - ▶ Cuba (1,633)
 - ▶ Macedon (1,496)
 - ▶ Waddington (923)

Questions and Answers