

Village of Candor Dissolution Study And Dissolution Plan

December, 2010

Report to the Community by the Dissolution Study Committee

CGR Technical Consultant Team:
Charles Zettek Jr., Project Director
Jaime Saunders, Project Manager

This document was prepared with funds provided by the New York State Department of State under the Local Government Efficiency Grant Program Contract No. T-098838

1 South Washington Street
Suite 400
Rochester, NY 14614
585.325.6360

90 State Street
Suite 1436
Albany, NY 12207
518.432.9428



Village of Candor Dissolution Study and Dissolution Plan

December, 2010

EXECUTIVE SUMMARY

This document constitutes the Dissolution Study and Dissolution Plan created by the Candor Dissolution Study Committee as requested by the Village Board.

Background and Context

The Village of Candor is situated in Tioga County in the Southern Tier of New York State, about 18 miles south of Ithaca, NY. The Town of Candor is 94.5 square miles with an estimated 5,138 residents. The Village of Candor is .44 square miles, located near the center of the Town with 794 residents, making up 15% of the total Town population.¹

In October 2009, the Village of Candor Board of Trustees received a petition with 149 signatures calling for a plan of dissolution of the Village government to be formulated and presented to Village voters at a referendum. For various reasons, the petition was declared invalid by the Village Clerk. However, the Village Board decided there was enough interest to move forward and conduct a dissolution study and plan.

The Board formed a Dissolution Study Committee (Committee) and charged the Committee with the development of a dissolution plan. The Dissolution Committee consists of the following members: Jerry Ahart, Bob Houck, Gwen Isham, Frank Musgrave, Fred Quinlan, and Teresa Twarz as Village members; and Butch Crowe and Steve Truesdail as Town members. Darlene Cobler, Town Supervisor and Steve Sparling, Village Mayor are both ad-hoc, non-voting members of the Committee. In April 2010, the Village engaged the Center for Governmental Research (CGR), an objective nonprofit policy research firm, to provide technical assistance to the Committee.

¹ 2008, U.S. Census population estimates.

² New York State Article 19: Dissolution of Villages

The Village Board of Trustees applied for and received a high priority planning grant from New York State's Local Government Efficiency (LGE) program to conduct this study. In order to meet the requirements of New York State,² the Committee must prepare a Dissolution Plan. If Village voters vote to dissolve the Village, the Dissolution Plan, which is the final document in this report, describes in detail how the two governments would merge into one; which existing Village services will be provided by the Town; which costs are to be absorbed by the Town; the fiscal and tax impacts for taxpayers of the Village and the Town-Outside-Village (TOV); and all other relevant aspects of dissolving the Village.

The Dissolution Study Committee did consider whether there are alternatives to current government structure short of dissolving the Village. The Committee reviewed all functional areas for shared service opportunities and did not find any good alternatives, including DPW and Water operations. The Committee has identified two opportunities for functional mergers between the Town and Village that would result in efficiency savings if the Village does not dissolve: Code Enforcement and Courts. Further details can be found in the Options Report (Chapter 2 of this document).

Study Process and Components

The Committee worked over an 8-month period through a sequential process to develop the Dissolution Study and Dissolution Plan. Each key phase resulted in a report to the community as outlined in the following three components:

- **What Exists Report** – describing how the Village and Town currently provide municipal services (Chapter One of this report).
- **Options Report** – identifying viable alternatives for delivering the services and functions currently provided by the Village (Chapter Two of this report).
- **Dissolution Plan** – outlining how the functions and services of the Village will be continued, eliminated, or changed if the Village dissolves, and also the fiscal and tax implications of dissolution (Chapter Three of this report).

Public feedback and suggestions were requested at each of the Committee meetings, during four public presentations, and through the project website which posted draft reports, answers to frequently asked questions,

² New York State Article 19: Dissolution of Villages

meeting minutes, and additional information about the study (www.cgr.org/candor).

A referendum to dissolve the Village based upon the Dissolution Plan adopted by the Board will be put up for a vote on March 15, 2011.³ If a majority of Village voters approve dissolution, the Village would dissolve on December 31, 2012. From that point forward, services in the former village would be provided by the Town or provided as a special district or eliminated. If Village voters vote not to dissolve, this report provides the committee recommendations of viable shared service alternatives for consideration between the Village and the Town going forward.

Projected Tax Impact Summarized

Current state legislation provides a New AIM incentive (Aid and Incentives to Municipalities) when local governments consolidate. In Year 1 of consolidation, based on current budget information, the incentive would amount to \$220,579 additional revenue for the overall community, with future increases based upon the projected Year 1 total AIM of \$265,853⁴.

Due to New York State's current budget constraints and the fact that AIM is an annual appropriation of the New York State Legislature, the Committee makes projections both with and without New AIM.

Based on Committee recommendations, the community as a whole will see a projected savings from dissolution of \$104,242 each year without including New AIM incentive funds and \$324,822 with New AIM.⁵ As summarized in Table 1, without including the New AIM incentive, the reduction in spending reduces the Village taxpayer's tax rate by \$45.66 per \$1,000 of assessed value, while the tax rate for the current TOV taxpayer increases by \$13.18 per \$1,000 assessed value. Including New AIM, the Village taxpayer's tax rate sees a greater reduction to \$57.51, while the TOV taxpayer sees a \$1.33 increase per \$1,000 assessed value.

³ In November 2010, the citizen petition calling for a Referendum and Public Election on the Issue of the Dissolution of the Village of Candor in accordance with Article 19 Village Law was deemed valid. Under Article 19, a dissolution vote will be held in March 2011. Study Committee reports to the community, approved and distributed prior to November 2010, were drafted before this determination.

⁴ Year 1 total includes New AIM of \$220,579 + current Village AIM of \$8,733 and current Town AIM of \$36,501

⁵ Assumes all New AIM used to reduce the tax levy.

TABLE 1

Summary of Estimated Tax Rate Change, per \$1,000 Assessment		
	Without New AIM	With New AIM
Village	-\$45.66	-\$57.51
Town Outside Village (TOV)	\$13.18	\$1.33

Tax Impact Estimates for a Sample Property

The projected tax impact presented in Tables 2 and 3 below is based on using the average Village assessed value of \$6,600, which assumes an average market value of a home in the Village of \$82,500.

As shown in Table 2, without including the New AIM incentive, the reduction in spending projects a Village taxpayer's total tax bill would be reduced by \$301.38 (-35%), while the TOV taxpayer's total tax bill would increase by \$86.96 (+18%).

TABLE 2

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 tax.

As shown in Table 3, taking into account the \$220,579 in New AIM incentive funding would result in a Village taxpayer's total tax bill reduction of \$379.57 (-44%), while the TOV taxpayer total tax bill would increase by \$8.78 (+2%). This analysis excludes county, school, recycling, and fire taxes, because none are affected by dissolution.

TABLE 3

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 tax. Assumes all New AIM used to reduce the tax levy.

Key Documents in This Report

This report is a compilation of the key documents produced throughout the dissolution study, and includes the following:

1. What Exists Report
2. Options Report
3. PowerPoint presentation to the public on October 18, 2010 – to solicit public feedback on the Options under consideration by the Committee.
4. PowerPoint Presentation to the Public - December 6, 2010 – Committee official public hearing on the Committee’s Dissolution Plan for the Village. (Note this presentation summarizes the key highlights of the Committee’s Dissolution Plan.)
5. The Committee’s Dissolution Plan