

**The Village Dissolution Study Committee
Presentation to the Public Forum on 12/6/11**

**Options for the Future for the Village of
Chaumont and the Town of Lyme:
First Report to the Community**

Study Committee Members

- ▶ Bill Borden – Chair and Village Trustee
- ▶ Valerie Rust – Village Mayor
- ▶ Scott Aubertine - Town Supervisor and Village resident
- ▶ Dan Villa – Town Councilman and TOV resident
- ▶ Sue Cornell – Village resident
- ▶ Scott Radley – Village resident
- ▶ Alternates:
 - ▶ Don Bourquoin – Town Councilman and Village resident
 - ▶ Jim Price – Village Trustee

Topics for Tonight

- ▶ Review of the Dissolution Study – What it is all about
- ▶ Important Process Steps
- ▶ What is a Dissolution Plan
- ▶ Balancing Services, Costs, Taxes
- ▶ Next Steps
- ▶ Questions from the Public for the Committee

About the Dissolution Study

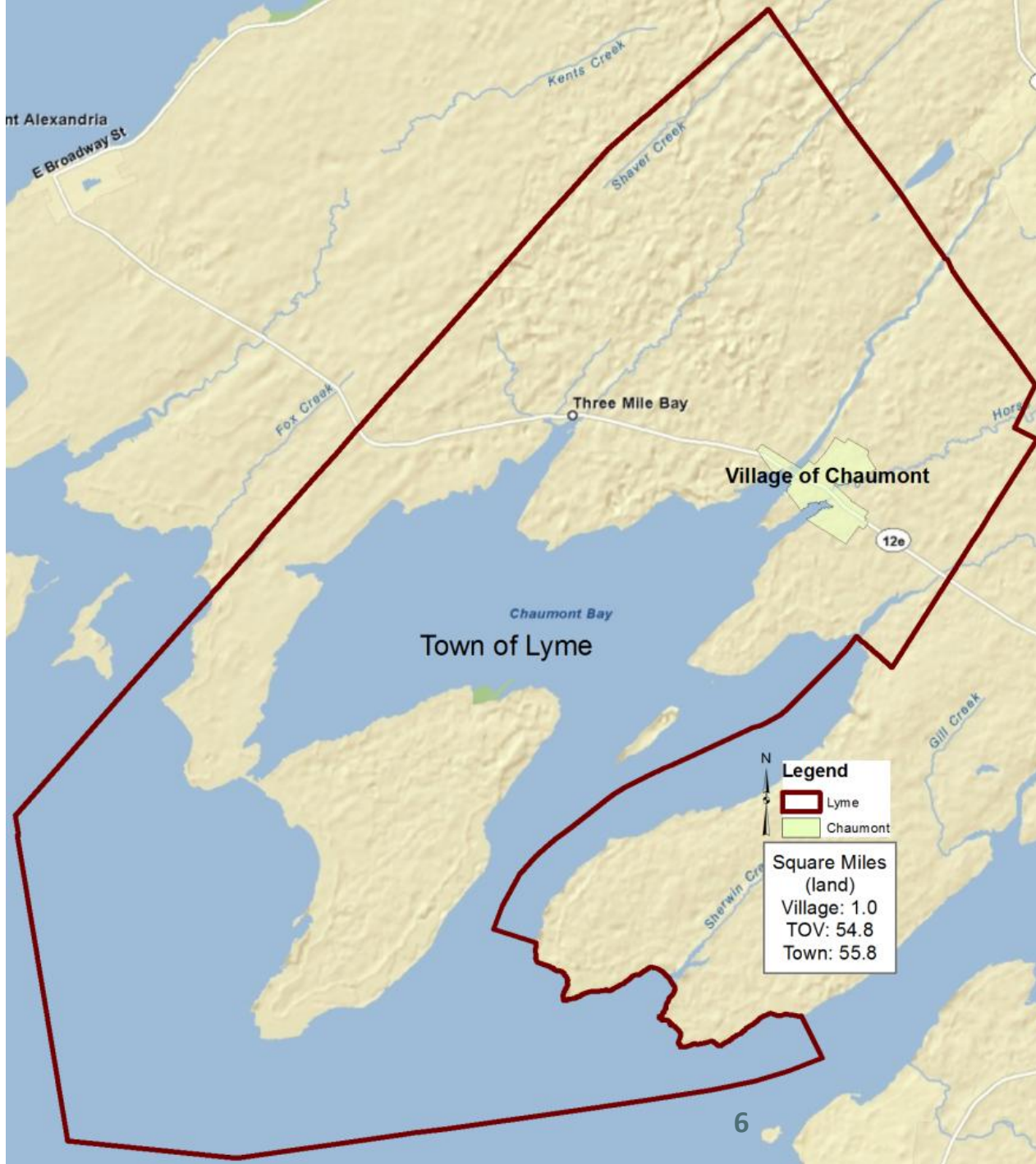
- ▶ Village Board initiated the study – approved in early 2011
- ▶ Applied for and received a State grant to fund the study
- ▶ Hired CGR with grant money to provide technical assistance to the Study Committee
- ▶ Objective – to develop a Dissolution Study and Plan to present to Village voters
- ▶ Village voters would vote whether or not to dissolve the Village and have the Lyme Town Board assume full responsibility for providing services in Chaumont

Examples of Recent Dissolution Studies

- ▶ Potsdam – but much larger and many more issues
- ▶ Examples closer in size to Chaumont & Lyme
 - ▶ Village of Edwards. Voted to dissolve 3/11
 - ▶ Village pop. – 439, Town pop. – 1,156
 - ▶ Village Candor. Voted not to dissolve 11/10
 - ▶ Village pop. – 851, Town pop. – 5,305
 - ▶ Village of Perrysburg. Voted to dissolve 3/10
 - ▶ Village pop. – 401, Town pop. – 1,626
 - ▶ Village of Port Henry. Voted not to dissolve 3/10
 - ▶ Village pop. – 1,194, Town pop. – 4,798

*These and other studies are available at
http://www.cgr.org/research_shared.aspx*

Basic Background Comparisons



- ▶ Land Area
 - ▶ Village
 - ▶ 1.0 sq. ml.
 - ▶ TOV
 - ▶ 55.8 sq. mi.
- ▶ Population
 - ▶ Village 2010
 - ▶ 624
 - ▶ Town 2010
 - ▶ 2,185

Important Concepts

- ▶ TOV = Town outside Village
- ▶ The Town of Lyme = the area in the Village + the TOV
- ▶ Property Tax Levy = the total amount that has to be raised by property taxes
- ▶ Taxable Assessed Value (TAV) = the value of property that the property taxes are collected from. Excludes tax exempt properties

- ▶ Property Tax Rate =
$$\frac{\text{Property Tax Levy}}{\text{TAV}}$$

Important Process Steps (1)

- ▶ The Village Dissolution process is defined by General Municipal Law Article 17-A, Title 3 (on web site)
- ▶ This study is a **Board initiated** process
- ▶ The other type of process is called **Elector initiated** – by a petition
- ▶ In the Board initiated process:
 - ▶ The Board asked the Committee to create a proposed Dissolution Plan
 - ▶ The Committee will give the Plan to the Board in the summer of 2012
 - ▶ The Board can determine if it wants to put the Plan to a referendum by the Village voters

Important Process Steps (2)

- ▶ Who votes on whether or not to dissolve the Village?
 - ▶ Step 1 – the Board has to approve a Plan and approve putting it to the village voters in a referendum
 - ▶ Step 2 – If the Board approves the referendum, then the people who get to vote on the dissolution are **Registered Voters in the Village**, as determined by the Jefferson County Board of Elections. Voters in the Town but outside the Village do not get to vote
- ▶ What is the Timeline?
 - ▶ Committee presents proposed Plan to Village Board – summer 2012
 - ▶ If Village Board approves the referendum – vote is projected to be Tuesday, Nov. 6, 2012

What is in a Dissolution Plan in General (1)

- ▶ The Plan must address 14 specific points (GML 17-A)
- ▶ The Plan states what will happen to Village assets, facilities, equipment, debt and employees
- ▶ The Plan states what will happen to current Village services
- ▶ The Plan states what will happen to current Village laws, codes and ordinances and how they will be enforced
- ▶ The Plan makes financial projections for Village and TOV taxpayers, and **projected** tax rates compared to **current** tax rates

What is in a Dissolution Plan in General (2)

- ▶ Other important factors to consider:
 - ▶ The Committee puts together a Plan, which is a blueprint for the future
 - ▶ However, the projections in the Plan cannot be guaranteed. Town Boards generally follow Plans, but they are not obligated to depending on budget or other requirements in the future
 - ▶ NY State currently provides a consolidation incentive – Citizens Empowerment Tax Credit (CETC). Funding is part of annual New York budget process. CETC for Chaumont is \$31,500/year

Dissolution Plan Variables for Chaumont (1)

- ▶ Major questions the Committee has to address:
 - ▶ Will there be efficiencies in combining Village and Town operations? NOTE – the Village has already contracted with the Town for DPW services and DANC for sewer services
 - ▶ The Village has 2 full-time employees , 1 part-time and 9 seasonal employees, plus 1 Mayor and 4 Trustees. If the Village dissolves, what happens to the Village employees?
 - ▶ The Village currently provides some services different than the Town provides:
 - ▶ Refuse collection
 - ▶ Sewer within the Village
 - ▶ Water within the Village
 - ▶ Extra payment to Chaumont Fire Department

Dissolution Plan Variables for Chaumont (2)

- ▶ Certain services would continue to be paid only by former Village taxpayers. These taxes or fees would not be paid by TOV taxpayers:
 - ▶ Village water
 - ▶ Village sewer
 - ▶ Any Village debt
 - ▶ Village street lighting
 - ▶ Village refuse collection
 - ▶ Designated payments to the Chaumont Fire Department

Key Financial Background Comparisons (1)

Expenditures for Town and Village FY 2011 and 2011-2012						
	Town of Lyme	<i>% of Total</i>	Village of Chaumont	<i>% of Total</i>	Combined Total	<i>% of Total</i>
Highway	\$731,903	35%	\$66,350	11%	\$798,253	30%
Water	\$110,514	5%	\$141,600	24%	\$252,114	9%
Shared Services	\$152,635	7%	\$21,300	4%	\$173,935	6%
Sanitation	\$142,000	7%	\$30,500	5%	\$172,500	6%
Sewage	\$0	0%	\$96,200	16%	\$96,200	4%
Debt Service	\$56,476	3%	\$78,000	13%	\$134,476	5%
Sewer	-	-	\$72,000	12%	\$72,000	3%
Water	\$56,476	3%	\$6,000	1%	\$62,476	2%
Other Expenditures	\$893,158	43%	\$162,700	27%	\$1,055,858	39%
Total	\$2,086,686	100%	\$596,650	100%	\$2,683,336	100%

Source: Town and Village. Town 2011 Budget and Village 2011-2012 Budget.

Key Financial Background Comparisons (2)

**Revenues by Fund and Type for Village of Chaumont and Town of Lyme
(2011-12 and 2011 Budgets)**

	Property Tax	Approp Fund Balance	County Sales Tax	CHIPs	Depart. Income	Inter-gov. charges/ Other	Total
Village							
General Fund (A)	\$115,450	\$0	\$111,000	\$31,850	\$100	\$16,590	\$274,990
Water Fund (F)	\$0	\$0	\$0	\$0	\$150,279	\$0	\$150,279
Sewer Fund (G)	\$0	\$17,000	\$0	\$0	\$147,500	\$8,200	\$172,700
<i>Subtotal</i>	<i>\$115,450</i>	<i>\$17,000</i>	<i>\$111,000</i>	<i>\$31,850</i>	<i>\$297,879</i>	<i>\$24,790</i>	<i>\$597,969</i>
Town							
Town General Budget	\$94,855	\$200,000	\$941,762	\$100,000	\$95,100	\$329,392	\$1,761,109
Water Funds (F1-F5)	\$0	\$0	\$0	\$0	\$164,157	\$1,600	\$165,757
Fire Protect. Fund (SF)	\$154,000	\$0	\$0	\$0	\$0	\$0	\$154,000
Street Light. Fund (SL)	\$5,820	\$0	\$0	\$0	\$0	\$0	\$5,820
<i>Subtotal</i>	<i>\$254,675</i>	<i>\$200,000</i>	<i>\$941,762</i>	<i>\$100,000</i>	<i>\$259,257</i>	<i>\$330,992</i>	<i>\$2,086,686</i>
Combined							
Combined Total	\$370,125	\$217,000	\$1,052,762	\$131,850	\$557,136	\$355,782	\$2,684,655
% of Combined Revenue	14%	8%	39%	5%	21%	12%	100%

Source: Town and Village budgets

Key Financial Background Comparisons (3)

Town and Village Tax Rates - FY 2011		
	Village	Town
County	\$20.53	\$20.53
Townwide	\$0.87	\$0.87
TOV ¹	-	\$0.00
Village ²	\$9.52	-
School ³	-	-
Lyme CSD ⁴	\$29.73	\$29.73
General Brown	\$27.72	\$27.72
Thousand Island	\$29.44	\$29.44
Lyme Fire Protection/Three Mile Bay	-	\$1.57
Three Mile Bay Light District	-	\$1.69

Source: Jefferson County Real Property Office

1. Town-Outside-Village.

2. Village tax rates are from 2011-2012.

3. The School Tax Rates include the applicable Library tax.

4. Most residents, including all Village residents, live in the Lyme School District. Calculations are based on Lyme School District Tax Rates.

Key Factor for Tax Rate Projection

- ▶ The Village only represents 11% of the TAV in the entire Town

Taxable Assessed Value Fiscal Year 2011		
	Taxable Assessed Value	% of Total
Village of Chaumont	\$12,121,551	11%
TOV	\$99,369,119	89%
Total Town of Lyme	\$111,490,670	100%
Other Districts		
TMB Lighting District	\$3,435,773	3%
Lyme Fire Protection	\$98,187,581	88%

Source: Jefferson County Real Property Tax Service
Data for Village as of 5/12/11. Data for Town as of 6/17/11

Why the Village and Town TAV Ratio is Important

- ▶ If the Village dissolves and the Town continues to provide the same services to the former Village, general costs not paid by special district fees would be spread over the entire Town TAV
- ▶ Thus, for each \$1 of expenditures currently paid by the Village property tax, if the Village dissolves, Village property owners would only pay \$.11.
- ▶ \$.89 would be shifted to TOV taxpayers
- ▶ The shift would also work the other way – former Village property owners would pick up \$.11 of TOV costs

12/6 Baseline Village Tax Model if Village Dissolves With Minimal Changes to Existing Services (1)

- ▶ Assumptions for General Fund – Town keeps all services except:
 - ▶ Village Board costs are eliminated: \$12,500 savings
 - ▶ Village NYCOM dues eliminated: \$ 800 savings
 - ▶ Village election costs eliminated: \$ 300 savings
 - ▶ Current personnel become Town employees: \$ 4,300 cost
 - ▶ Loss of Utilities Gross Receipts tax revenue: \$ 5,000 cost
 - ▶ **NET CHANGE:** **\$ 4,300 savings**
 - ▶ Assumptions for Other Services – they become special districts in the former Village:
 - ▶ Water, Sewer, Street lighting, Chaumont Fire
 - ▶ Future costs still to be determined by the Committee
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12/6 Baseline Village Tax Model if Village Dissolves With Minimal Changes to Existing Services (2)

Current Town and Village Tax Rates - FY 2011 Budget		
<i>Property Taxes Only - Does not include Village and Town Water District and Village Sewer rate charges</i>		
	Village	TOV
Town wide	\$0.87	\$0.87
TOV ¹	-	\$0.00
Village ²	\$9.52	-
Lyme Fire Protection District	-	\$1.57
Total	\$10.39	\$2.44
Three Mile Bay Light District	-	\$1.69

Source: Jefferson County Real Property Office

1. Town-Outside-Village.

2. Village tax rates are from 2011-2012.

Note: Residents of the Three Mile Bay Lighting District pay an additional \$1.69/\$1,000 in taxes.

12/6 Baseline Village Tax Model if Village Dissolves With Minimal Changes to Existing Services (3)

Baseline Village Dissolution Property Tax Model Projected Town and Former Village Property Tax Rates if Village Dissolved Based on FY 2011 Budget Numbers		
NOTE - Preliminary projections for general purposes - subject to revision by the Committee based on 2012 budgets and service options selected		
	Former Village	TOV
New Town wide	\$1.32	\$1.32
Former Village Lighting District	\$1.03	
Former Village Refuse District	\$2.52	
Former Village Fire Protection District	\$1.24	
Lyme Fire Protection District	-	\$1.57
Total	\$6.11	\$2.89
Application of CETC	-\$0.28	-\$0.28
Total with CETC	\$5.83	\$2.61

Notes:

1. Residents of the Three Mile Bay Lighting District would continue to pay an additional \$1.69/\$1,000 in taxes

2. Does not include Village Water and Sewer district costs, as these are paid by user fees. Under the baseline model, there would be no change to current water and sewer bills to Village residents

Baseline Tax Model – Key Conclusions

- ▶ Using Baseline Assumptions - without the state CETC funding, the Village Total Tax rate would go from \$10.39 to \$6.11, a savings of \$4.28/\$1,000
- ▶ The TOV rate go from \$2.44 to \$2.89, an increase of \$.45/\$1,000. Why? Because of the tax shift due to the TAV ratio discussed in Slide 18
- ▶ The TOV rate could be held harmless, i.e. kept at \$2.44, if the Committee can find an additional \$50,600 in efficiency savings
- ▶ The CETC funds would provide an additional \$.28/\$1,000 tax rate savings

Additional Considerations for the Committee

- ▶ What services do Village residents want to have continued if the Village dissolves
- ▶ How will those services be paid for – Town wide tax or special district for former Village only
- ▶ Impact on Village residents of current sewer debt (\$1,768,000 remaining). This is included in the village sewer district rates. Current Village water debt is \$39,000
- ▶ Potential impact of a town wide property reval
- ▶ Potential impact of the 2% tax cap

Next Steps (1)

- ▶ 1. The Committee has to review Village and Town operations using 2012 budget figures
- ▶ 2. The Committee will evaluate alternative options for providing service to the Village if it dissolves
- ▶ 3. The Committee will develop a comprehensive presentation of services and tax impact to the next public forum: **approx. May 1, 2012**
- ▶ 4. The Committee will incorporate the public feedback and develop a draft Dissolution Plan
- ▶ 5. The Committee will hold a public hearing on the draft Dissolution Plan: **approx. June 15, 2012**

Next Steps (2)

- ▶ 6. The Committee transmits its proposed Dissolution Plan to the Village Board: **approx. July 15, 2012**
- ▶ 7. The Village Board determines whether or not to put the Dissolution Plan up for a vote
- ▶ 8. If the Board decides to hold a vote, the Board will hold a public hearing on the Plan: **approx. August 15, 2012**
- ▶ 9. Public vote – anticipated to be **November 6, 2012**

Feedback to the Committee

Questions / Comments / Requests for Information

The Dissolution Study Website is
<http://www.cgr.org/chaumont/>