

**Chaumont Dissolution Study Committee  
Public Forum Presentation - 6/20/12**

**DRAFT DISSOLUTION PLAN  
Village of Chaumont, New York**

**CGR**  
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www.cgr.org

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 Bourquin – Town Councilman and Village resident
  - ▶ Jim Price – Village Trustee

## Topics for Tonight

- ▶ Overview – how Draft Dissolution Plan developed
- ▶ What is in a Dissolution Plan?
- ▶ Key concepts
- ▶ What is the “New Town” dissolution would create?
- ▶ Highlights of proposed Chaumont Dissolution Plan
- ▶ Next steps
- ▶ Questions from the public

Project website:

[www.cgr.org/chaumont](http://www.cgr.org/chaumont)

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## Overview: How Draft Plan Developed (1)

- ▶ Village Board initiated study; received State grant
- ▶ In 2011, hired CGR to assist Committee
- ▶ Committee charge – develop Dissolution Study & Plan
- ▶ Nearing final steps in Committee process:
  - ▶ Will finalize plan after hearing from public tonight
  - ▶ Will deliver Final Report to Village Board by July 3
- ▶ If Village Board endorses Plan at its meeting July 17 and sets date for vote, Chaumont voters will decide whether to dissolve Village
  - ▶ Per NY law, only registered voters in Village can vote

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## Overview: How Draft Plan Developed (2)

- ▶ Part One: What Exists (*completed*)
  - ▶ Financial overview – Village and Town
  - ▶ Described how services are currently delivered
- ▶ Part Two: Options for the Future (*completed*)
  - ▶ Committee presented options to public May 1
  - ▶ Showed projected impact
- ▶ Part Three: Dissolution Plan (*draft presented tonight*)
  - ▶ Developed after options presented to public
  - ▶ Based on NY General Municipal Law 17-A

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## What is in a Dissolution Plan?

- ▶ The Plan must address 14 specific points
- ▶ Key components:
  - ▶ What will happen to Village employees, property, assets, debts and fund balances
  - ▶ What will happen to current Village services
  - ▶ What will happen to current Village laws, codes and ordinances and how will they be enforced
  - ▶ The Plan makes financial projections for Village and TOV taxpayers, and **projects** tax rates vs. **current** tax rates
    - ▶ Based on fiscal year used in study
  - ▶ If Village dissolves, effective date: Dec. 31, 2013

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## Key Concepts (1)

- ▶ TOV = Town outside Village
- ▶ The Town of Lyme = the area in the Village + the TOV
- ▶ Study Fiscal Year = Village 2011-12, Town 2012
- ▶ Property Tax Levy = amount 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 = 
$$\frac{\text{Property Tax Levy}}{\text{TAV}} \times 1,000$$

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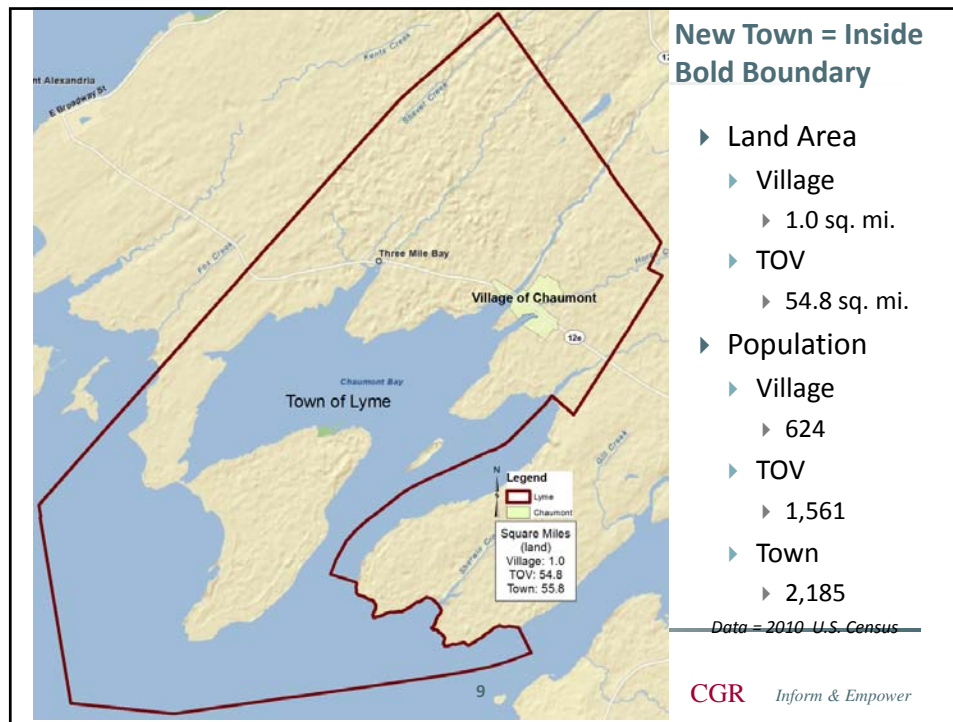
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## Key Concepts (2)

- ▶ Cost savings = money saved due to reducing expenses
- ▶ Cost shift = expenses remain, but who pays changes
- ▶ Special taxing district = a way to collect taxes applied to sub-geographic areas
  - ▶ Is a taxing mechanism, not a governing body
  - ▶ Examples: Lyme fire protection and TMB lighting districts
- ▶ Citizen Empowerment Tax Credit (CETC) = annual incentive from NYS for consolidating governments
  - ▶ Formula = 15% of combined tax levies when consolidate
- ▶ “New Town” = single government if Village dissolves

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### Chaumont Plan: Village Employees (1)

- ▶ Mayor & Board positions eliminated (*estimated savings = \$12,900*)
- ▶ Village Clerk-Treasurer transfers to Town as assistant to supervisor; Town drops 2nd deputy Town Clerk position (*estimated cost increase for clerk duties unrelated to water/sewer billing = \$525*)
- ▶ FT Village DPW employee transfers to Town, where higher union wage and health benefits now apply
  - ▶ *Estimated cost increase = \$21,150 with 50% absorbed by special districts in Chaumont*
- ▶ PT DPW position eliminated (*est. savings = \$20,250*)

## Chaumont Plan: Village Employees (2)

- ▶ Village PT code enforcement officer position eliminated; Town PT code enforcement officer assumes duties, receiving 50% of amount budgeted by Village for assuming more work (*estimated savings = \$1,900*)
- ▶ Village Planning & Zoning Boards eliminated (*estimated savings = \$1,670*)
- ▶ Village recreation staff positions become Town recreation staff positions (*estimated change = \$0*)

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## Plan: Village Services That Transfer to Town

- ▶ **CHARGED TO ALL TOWN TAXPAYERS** (UNLESS EXEMPT)
  - ▶ Street maintenance
  - ▶ Snow plowing
  - ▶ Park maintenance
  - ▶ Mowing
  - ▶ Grounds keeping
  - ▶ Weed control
  - ▶ Tennis court and beach maintenance
  - ▶ Recreation
  - ▶ Police (*Town responsible now, but Village pays portion*)

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### Plan: Village Water Services Maintained

- ▶ CHARGED TO CHAUMONT RESIDENTS AS USER FEES
  - ▶ Town to establish Chaumont Water District
    - ▶ Boundaries of district = boundaries of Chaumont
    - ▶ Costs for this service are included in water bills
    - ▶ Existing Village water debt included in water bills
    - ▶ Projection if Village dissolves:
      - Current user fees will cover 88% of projected expenses
      - Due to several factors, but one due to dissolution – employee(s) providing services will be Town staff
  - ▶ Per Village Board: with or without dissolution, Chaumont water bills will go up in future – at time TBD

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### Plan: Village Sewer Services Maintained

- ▶ CHARGED TO CHAUMONT RESIDENTS AS USER FEES
  - ▶ Town to establish Chaumont Sewer District
    - ▶ Boundaries of district = boundaries of Chaumont
    - ▶ Costs for this service are included in sewer bills
    - ▶ Existing Village sewer debt included on sewer bills
    - ▶ Sewer operation and maintenance continue to be outsourced as they are today to DANC
  - ▶ Dissolution would have no significant impact on sewer expenses – since services outsourced
  - ▶ Separate from dissolution, should grow sewer fund to meet infrastructure needs. Likely increase in fees, timing TBD.

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### Plan: Village Refuse Services Maintained

- ▶ CHARGED TO CHAUMONT TAXPAYERS AS A SEPARATE DISTRICT CHARGE ON ANNUAL TOWN TAX BILL
  - ▶ Town to establish Chaumont Refuse District
  - ▶ Boundaries of district = boundaries of Chaumont
  - ▶ Plan assumptions:
    - ▶ Garbage/recycling/brush pickup continue
    - ▶ Plan assumes current delivery; but Town responsible for deciding how to deliver services cost effectively
  - ▶ Projection: If Village dissolves, cost about \$1,000 above current, due to Town union scale / benefits
  - ▶ Projected tax rate: \$1.72 per \$1,000

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### Plan: Village Street Lighting Maintained

- ▶ CHARGED TO CHAUMONT TAXPAYERS AS A SEPARATE DISTRICT CHARGE ON ANNUAL TOWN TAX BILL
  - ▶ Town to establish Chaumont Street Lighting District
  - ▶ Boundaries of district = boundaries of Chaumont
  - ▶ Service is outsourced
    - ▶ Thus, no change in cost due to dissolution
  - ▶ Projected tax rate:
    - ▶ \$1.03 per \$1,000

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## Plan: Fire / EMS To Be 100% Town Responsibility

CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Lyme Fire Protection District expands to include Village
  - ▶ Projected tax rate: \$1.37 per \$1,000
  - ▶ Covers Town contracts with Chaumont / Three Mile Bay FDs
    - ▶ To provide fire protection services Townwide
- ▶ Fuel costs for each FD budgeted by Town
- ▶ Three Mile Bay FD: plus \$35,000 for ambulance service
- ▶ Chaumont FD: plus \$15,000 for EMS first responder
  - ▶ Fuel, ambulance, first responder costs – part of Townwide tax

*There is no change in overall amount budgeted for fire / EMS services Townwide but cost shifts involved*

## Explanation: Fire / EMS Cost Shift (1)

### Fire & Emergency Response – Current Cost to Taxpayers

Service	Village Tax Rate	Town Tax Rate
Current Fire Protection	\$1.24/\$1,000	\$1.54/\$1,000
Current Fuel	\$.05/\$1,000	\$.05/\$1,000
Current Ambulance	\$.31/\$1,000	\$.31/\$1,000
<b>Current Fire &amp; Emergency Response combined</b>	<b>\$1.60/\$1,000</b>	<b>\$1.90/\$1,000</b>

### Fire & Emergency Response – Projected Cost to Taxpayers

Service	Townwide Tax Rate
Fire Protection	\$1.37/\$1,000
Fuel	\$.05/\$1,000
Ambulance (paid to Three Mile Bay F.D.)	\$.31/\$1,000
First Responder (paid to Chaumont F.D.)	\$.13/\$1,000
<b>Fire &amp; Emergency Response combined</b>	<b>\$1.87/\$1,000</b>

Source: CGR calculation

### Explanation: What Drives a Cost Shift (2)

- ▶ If the Village dissolves and the Town provides services to Chaumont, costs not paid by special district fees would be spread over entire Town Taxable Assessed Valuation (TAV)
- ▶ Thus, for each \$1 of expenditures now paid by Village property tax, if the Village dissolves, Chaumont property owners would only pay \$.11
  - ▶ \$.89 would be shifted to TOV taxpayers
- ▶ The shift also works the other way – former Village property owners would pick up \$.11 of TOV costs

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### Plan: Other Services Provided 100% by Town

#### CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Municipal legal services (*save \$5,000 budgeted by Village*)
- ▶ Elections (*save \$300 budgeted for Village elections*)
- ▶ Animal control (*save \$600 budgeted by Village*)
- ▶ Library contribution (Village \$2,500 transfers to Town, with no reduction in Town support (*no change in total amount contributed Townwide to Library*))
- ▶ Other special contributions/dues (*save \$300 budgeted by Village for Garden Club and Lyme Light; save \$800 budgeted for Village municipal dues to NYCOM*)

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### Plan: Services Already Provided 100% by Town

ALREADY CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Court
- ▶ Assessor
- ▶ Transfer Site
- ▶ Public Health
- ▶ Economic Opportunity
- ▶ Cemetery

*None of above services are impacted by dissolution*

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### Plan: Village Liabilities and Debts

- ▶ Liabilities – none known
- ▶ Debts = \$1.86 million as of 12/31/12
  - ▶ Sewer Fund debt = \$1,768,000
    - ▶ For treatment plant / sewer lines – paid off in 2032
  - ▶ Water Fund debt = \$88,000
    - ▶ \$34,000 for repairs to water tower – paid off in 2018
    - ▶ \$54,000 for radio read equipment – paid off in 2021
  - ▶ Sewer debt charged to customers on sewer bills
  - ▶ Water debt charged to Chaumont customers on water bills

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### Plan: Village Fund Balances

- ▶ Village fund balances remaining upon effective date of dissolution transfer as follow:
  - ▶ Sewer fund transfers to the Chaumont Sewer District fund and will be managed by the Town
    - ▶ Amount as of 5/31/12 = \$12,224
  - ▶ Water fund transfers to the Chaumont Water District and will be managed by the Town
    - ▶ Amount as of 5/31/12 = \$48,867
  - ▶ Village general fund transfers to the Town to be managed by the Town
    - ▶ Amount as of 5/31/12 = \$46,681

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### Plan: Property / Equipment Transfer to Town

- ▶ Total assessed value of all Village property = \$371,600
  - ▶ \$217,000 for Chaumont water / sewer properties
  - ▶ \$73,000 for parks
  - ▶ \$65,600 for recreation property
  - ▶ \$16,000 for miscellaneous other
- ▶ Upon dissolution, property transfers to the Town
- ▶ Equipment also transfers to Town
  - ▶ '85 tractor; '98 Ford Ranger; '98 trash pump; '01 Ford F150; two mowers ('02, '09); numerous generators (all '02)
- ▶ Personal property (e.g., furniture, tools) also become the property of the Town

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### Plan: Village Doesn't Own Other Property

- ▶ Lyme Municipal Building is owned by the Town
- ▶ Chaumont Fire Hall is owned by nonprofit, independent Chaumont Volunteer F.D.
  - ▶ All fire apparatus used for fire protection services in the Village – owned by the Chaumont F.D.
- ▶ Street light poles, fixtures, etc. are owned / operated by National Grid
  - ▶ Village pays rental costs as part of its street light bill

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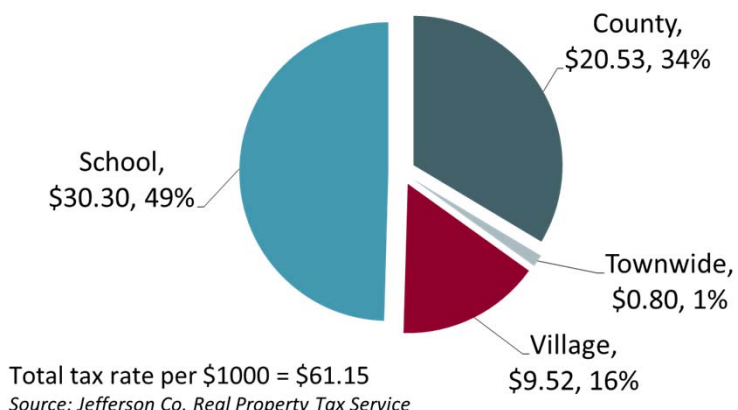
### Plan: Village Laws and Ordinances

- ▶ Plan identifies 36 Village laws and ordinances
  - ▶ 13 would not become Town laws – no longer applicable
  - ▶ 15 to be rewritten as Town laws, following Town review
  - ▶ 8 – Town currently has a similar law and provisions of Village Law may only need to be incorporated
- ▶ Except for 13 that aren't applicable, Village laws remain in effect for 2 years and enforced by Town
  - ▶ Except Town has the power to amend or repeal at any time in same manner as for Town laws/ordinances

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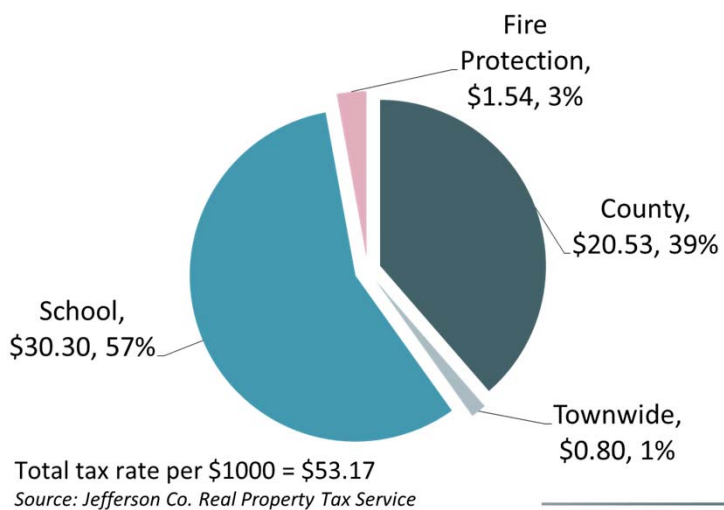
### Fiscal Overview: Village Current Tax Breakdown



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### Fiscal Overview: TOV Tax Breakdown



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## Fiscal Overview: 2012 FY Budgets & Tax Levies

- ▶ Village
  - ▶ Budget = \$596,650
  - ▶ Property Tax Levy = \$115,450
- ▶ Town
  - ▶ Budget = \$2.2 million
  - ▶ Property Tax Levy = \$249,420
    - ▶ Townwide (general and highway) = \$89,600
    - ▶ TOV (general and highway) = \$0
    - ▶ Lyme fire protection = \$154,000
    - ▶ Three Mile Bay lighting = \$5,820

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## Fiscal Overview: Key Factors Affecting Tax Levies

1. Taxable assessed valuation (TAV) of property
  - ▶ Town = \$111.5 million
    - ▶ Village = \$12.1 million (11%)
    - ▶ TOV = \$99.4 million (89%)
2. Sales tax distribution by County
  - ▶ Village = \$ 111,000 (19% *V. budgeted revenues*)
  - ▶ Town = \$970,000 (44% *T. budgeted revenues*)
3. Appropriated fund balance (general and highway)
  - ▶ Town = \$375,000
  - ▶ Village = \$0

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## Plan: New Town Property Tax Projections

- ▶ **Committee property tax projections based on:**
  - ▶ Village 2011-12 and Town 2012 budgets
    - ▶ *Thus, same fund balance appropriation assumed*
  - ▶ Committee recommendations presented May 1 to public
  - ▶ Assumption recent operational changes continue
- ▶ **Projections are shown with / without CETC**
  - ▶ Based on current combined tax levies, but Town special districts (fire protection, TMB lighting) excluded
  - ▶ Minimum of 70% must be applied as tax reduction
    - ▶ For study assumed 100% of CETC applied to reduce taxes
  - ▶ CETC equates to \$0.28 per \$1,000 – all taxpayers

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## Projections: Dissolution Other Matters

- ▶ **Revenue Impact on “New Town”**
  - ▶ Dissolution would result in loss of Village utilities gross receipt tax (UGRT) revenue (loss = \$5,000)
    - ▶ Note: Chaumont utility customers no longer charged this tax, which equates to about 2% - 4% of electric and phone bills
  - ▶ New Town eligible for \$30,757 **ongoing annual CETC grant** from the State, based on 2012 FY budgets
    - ▶ **New money** subject to annual State budget appropriation

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## New Town Projected Tax Rates

<b>Impact of Operational Changes and Village Dissolution New Town Projected Tax Rates per \$1,000 Assessed Value</b>		
	<b>Former Village</b>	<b>Former TOV</b>
Townwide	\$1.44	\$1.44
Chaumont Street Lighting District	\$1.03	-
Chaumont Refuse District	\$1.72	-
Lyme Fire Protection	\$1.37	\$1.37
<b>Total (without CETC)</b>	<b>\$5.56</b>	<b>\$2.81</b>
Impact of CETC	-\$0.28	-\$0.28
<b>TOTAL (with CETC)</b>	<b>\$5.29</b>	<b>\$2.53</b>

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## Projections for New Town Compared to Current

<b>Summary of Projected of Tax Rates for New Town (Compared to Current) per \$1,000 Assessed Value</b>		
	<b>Former Village</b>	<b>Former TOV</b>
Current	\$10.32	\$2.34
Dissolution (w/o CETC)	\$5.56	\$2.81
<i>% change from Current</i>	<i>-46%</i>	<i>20%</i>
Dissolution (w/CETC)	\$5.29	\$2.53
<i>% change from Current</i>	<i>-49%</i>	<i>8%</i>

*Note: \$1.68/\$1,000 for TMB street lighting additional*

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Chaumont Property Assessed at \$50,000

<b>Chaumont Property Assessed at \$50,000 (Figures do not include water and sewer user fees)</b>	
<b>Current Tax Bill for Village</b>	<b>\$516</b>
<i>Village</i>	\$476
<i>Townwide</i>	\$40
<b>Projected Tax Bill without CETC</b>	<b>\$278</b>
<i>Townwide</i>	\$72
<i>Chaumont Street Lighting</i>	\$52
<i>Refuse District</i>	\$86
<i>Lyme Fire Protection</i>	\$68
<b>Projected Tax Bill with CETC</b>	<b>\$264</b>

TOV Property Assessed at \$50,000

<b>TOV Property Assessed at \$50,000 (Figures do not include water user fees)</b>	
<b>Current Tax Bill for TOV</b>	<b>\$117</b>
<i>Townwide</i>	\$40
<i>Lyme Fire Protection</i>	\$77
<b>Projected Tax Bill without CETC</b>	<b>\$140</b>
<i>Townwide</i>	\$72
<i>Lyme Fire Protection</i>	\$68
<b>Projected Tax Bill with CETC</b>	<b>\$127</b>

TOV taxpayers in TMB pay additional \$84 for street lighting service

## Next Steps and Timeline

- ▶ Committee finalizes Dissolution Plan after hearing from public **tonight**
- ▶ Committee sends Final Report to Village Board **by July 3**
- ▶ Village Board to meet to decide whether to endorse Dissolution Plan: **July 17**, 6 p.m., Municipal Building
- ▶ If the Village Board endorses the Plan, the Board will hold official public hearing on the Plan: **Aug. 21**
- ▶ Public vote, if to be held, will be: **Nov. 6, 2012**
- ▶ If vote affirmative, dissolution takes effect: **Dec. 31, 2013**
- ▶ If referendum fails, dissolution process may not be initiated for same purpose for **4 years** from date of vote

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## Q&A Session

### Questions / Comments

The Dissolution Study Website is:  
**[www.cgr.org/chaumont](http://www.cgr.org/chaumont)**

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