

What Exists and Options for the Future For the Village of Chaumont and Town of Lyme

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INTRODUCTION AND CONTEXT

This report was prepared by the Chaumont Dissolution Study Committee, which was charged by the Village of Chaumont, New York with preparing a dissolution study, dissolution plan and alternatives to dissolution. The study was conducted with input and assistance from both the Village and the Town of Lyme. When complete this report will be a three-part report consisting of the following:

- *Part One – What Exists: How Municipal Services Are Currently Provided*
- *Part Two – Options for the Future*
- *Part Three – Dissolution Plan for the Village of Chaumont*

Parts One and Two are included in this Draft Report. The draft dissolution plan will be completed after the Study Committee receives feedback from the community at a public forum to be held at 7 p.m. on May 1 at the Chaumont Fire Hall. The forum will highlight key findings of the study and the Committee draft recommended options for the future. Members of the community are invited to attend the forum, ask questions and provide feedback to the Committee.

Putting the study in context, the Village of Chaumont has an estimated population of 625 residents and encompasses about one square mile in the 55.8 land square miles of the Town of Lyme, which is located in northern Jefferson County. Based on 2010 U.S. Census data, the Village accounts for about 29% of the overall Town population.

In recent years, the Village and Town have actively pursued working more closely together. The Village's two full-time employees (Clerk-Treasurer and Department of Public Works employee) and its part-time DPW laborer are housed in the Town of Lyme Municipal Building. Since there is no DPW superintendent, the Town Highway superintendent supervises, as needed, the Village DPW workers. In 2011, the Town appointed the Village Clerk-Treasurer to collect Town taxes when a vacancy occurred in the elected Town tax collector position,¹ and in November 2011 she was elected to a four-year term. Some key municipal services, notably court and assessor services, are provided solely by the Town.

In 2010, the Village Board applied for and was awarded a high priority planning grant from New York State's Local Government Efficiency (LGE) program. The Village appointed a six-member committee² and engaged the Center for Governmental Research (CGR) as study consultant. The Board charged the Committee with preparing a dissolution study, draft dissolution plan and alternatives to dissolution. The Board's objective is to provide residents with information on viable service delivery options for

¹ The Town and the Village use the same tax collection software

² Village Mayor Valerie Rust, Village Trustee William Borden, Town Supervisor Scott Aubertine, Town Councilman Daniel Villa, and Village residents Suzann Cornell and Scott Radley

increasing government efficiency and promoting taxpayer savings. Information on the study can be found on the Committee's website: www.cgr.org/chaumont.

In Part One of this Draft Report the Dissolution Study Committee provides an overview of municipal services and financial information based upon current operations of the Village and Town governments as reflected in the 2011-12 Village and Town 2012 budgets. This overview also points out that significant operational changes occurred in the current fiscal year that significantly impacted the Village. Based on its review of what exists, the Committee prepared Part Two identifying opportunities for cost savings and efficiencies, achieved through full consolidation, which would involve dissolving the Village and merging operations in the Town. Part Two also outlines what savings might be achieved through additional shared services, as an alternative to dissolving the Village.

Following the May 1 public forum, the Committee will develop a draft dissolution plan that can serve as a template should the Village Board put the question of dissolution before voters. The Committee will present its draft dissolution plan at a public hearing to be held at 7 p.m. on June 20 at the Chaumont Fire Hall. After receiving public feedback, the Committee will make any needed changes before presenting a Final Report to the Village Board in early summer 2012.

After the Committee delivers its Final Report to the Village Board it will be up to the Board to determine next steps, as described below.

Dissolution Study Process and Requirements

The Village Board-initiated study and plan are being developed in accordance with the relevant state law governing dissolution and consolidation of local government entities, known as Article 17-A of General Municipal Law.

Under Article 17-A, the Village Board may choose to endorse the Committee's proposed dissolution plan or it could opt to take no action. If the Board endorses the plan, it must hold at least one public hearing. Following its final public hearing, the Board has three options: approve the plan as is, amend the plan, or end the board-initiated dissolution process. If the Board decides to proceed, it must then also enact a resolution calling for a referendum on the dissolution. If the subsequent referendum passes, the Village will dissolve on the date set forth in the final plan. If the referendum fails, the Village will not dissolve and the dissolution process may not be initiated again for four years.

If the Village Board decides to put the issue of dissolving the Village before Chaumont voters, the Board would do so at the regular election on November 6, 2012, and anticipates that, if approved by voters, dissolution would take place on December 31, 2013.

Should the Village Board not endorse the Committee's plan or decline to proceed with a referendum following its own public hearing(s), Village voters would have an option to begin a voter-initiated dissolution process. This process is initiated by submission of

a petition, signed by at least 20% of electors (i.e., registered voters) of the Village. Once the petition is submitted and the signatures and petition are validated, the Village Board would be required to enact a resolution calling for a referendum on dissolution. The referendum would be held within 60-90 days of the resolution. If the referendum passed, the Village would dissolve on the date specified in the plan.

Report Format³

Part One of this report provides a general background to local government services in the Village and Town. It serves as the baseline on which the Committee subsequently developed Part Two: Options for the Future.

³ Note: This report incorporates information available as of April 18, 2012. Financial information is based on the 2011-12 Village budget and the 2012 Town budget, unless otherwise noted.

PART ONE: WHAT EXISTS

History, Size and Structure of the Community

The Village of Chaumont, located in northern Jefferson County, is known for having one of the largest freshwater bays in the world. The area in which the Village is located is popular with both tourists and fishing enthusiasts. Established in 1874, the Village consists of one square mile in the 55.8 land square miles of the Town of Lyme.

As Table 1 shows (and Figure 1 illustrates), the Village and Town populations are currently the largest they have been in the past 60 years. The Village population has remained fairly stable, growing 5% over the past two decades. The Town-outside-Village (TOV), however, has grown about 40% over the past two decades. The Village accounts for 29% of the total Town population.

Table 1

Population of Village and Town			
Year	Village of Chaumont	Town of Lyme	Town outside Village
1950	513	1,458	945
1960	523	1,448	925
1970	567	1,550	983
1980	620	1,695	1,075
1990	593	1,701	1,108
2000	592	2,015	1,423
2010	624	2,185	1,561

Source: U.S. Census Bureau
 Note: Shaded is peak.

Figure 1

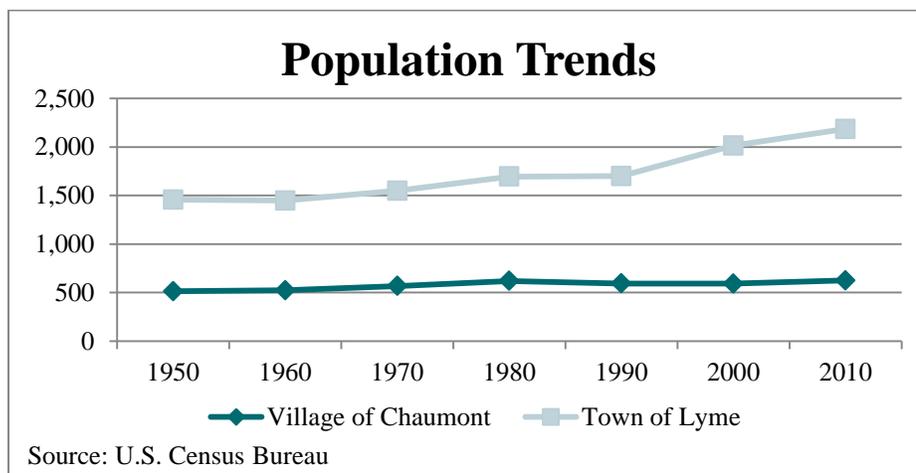
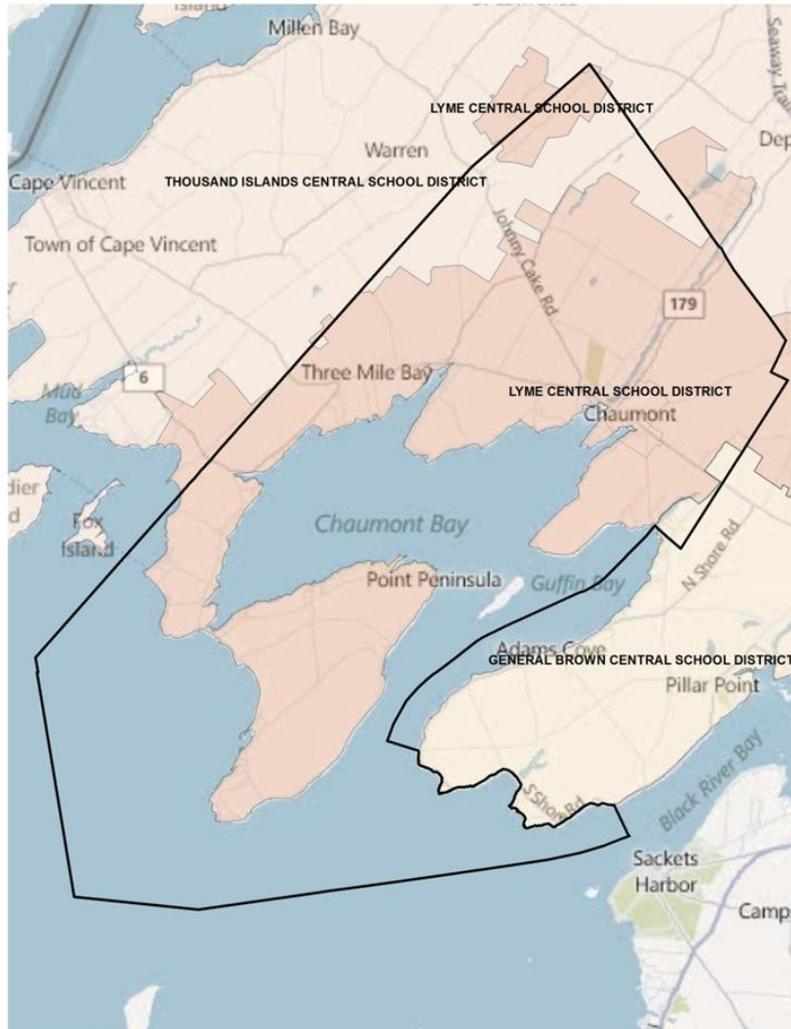


Figure 2 shows the location of the Village and Town along with the three school districts in the community. Although the school districts are not part of the dissolution study and will not be affected by any dissolution plan, they are shown on the map to illustrate the multi-layered government structure that is common in New York.

Figure 2



Financial Background Overview

The information in this section is provided to assist residents in understanding the relationship of Village and Town taxes to the total property tax burden. Figures shown for Chaumont and Lyme are for the 2011-12 Village budget and 2012 Town budget.

Complexity of Local Taxation

Property owners in the Town of Lyme, including the Village of Chaumont, pay several different levels of taxes depending on where they own property and the types of services they receive. Table 2 illustrates the many layers of local taxation within the municipalities (excluding federal and state taxes) for property-owners in the Village and in the Town-outside-Village (TOV).

Table 2

Town and Village Tax Rates per \$1,000 Taxable Assessed Value FY 2012		
	Village of Chaumont	Lyme TOV
County	\$20.53	\$20.53
Townwide	\$0.80	\$0.80
Townwide General (A)	\$0.26	\$0.26
Townwide Highway (DA)	\$0.55	\$0.55
TOV ¹	-	\$0.00
Village ²	\$9.52	-
School ³	-	-
Lyme CSD ⁴	\$30.30	\$30.30
General Brown	\$27.45	\$27.45
Thousand Island	\$31.02	\$31.02
Lyme Fire Protection	-	\$1.54
Three Mile Bay Light District	-	\$1.68

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 and are as of September 2011.
4. Most residents, including all Village residents, live in the Lyme School District.

NOTE: It is important to point out that the figures in Table 2 include the use of applied fund balance by the Town. At the end of each year, every municipality either over or under spends relative to the revenue it receives. These surpluses or negative amounts are tracked over time in accounts designated as fund balance. Municipalities may draw from an account and apply fund balance to reduce the overall tax levy for a given year.

In 2012 the Town applied \$375,000 in fund balance (\$225,000 from the Townwide general fund and \$150,000 from the Townwide highway fund) to reduce the Townwide tax rate by \$3.36 per \$1,000. To allow for comparison, the following tables include the same total fund balance applied in the current tax rates.

Where Your Tax Dollars Go

Figures 3 and 4 highlight the percentage of total taxes paid to the various layers of government that impact the Chaumont and Lyme community (excluding state and federal taxes). The largest single influence on taxes for a Village or Town taxpayer is school taxes.⁴ As the pie charts illustrate, the next biggest influence on taxes is the County tax rate. After that, tax rates depend on where one lives.

Figure 3

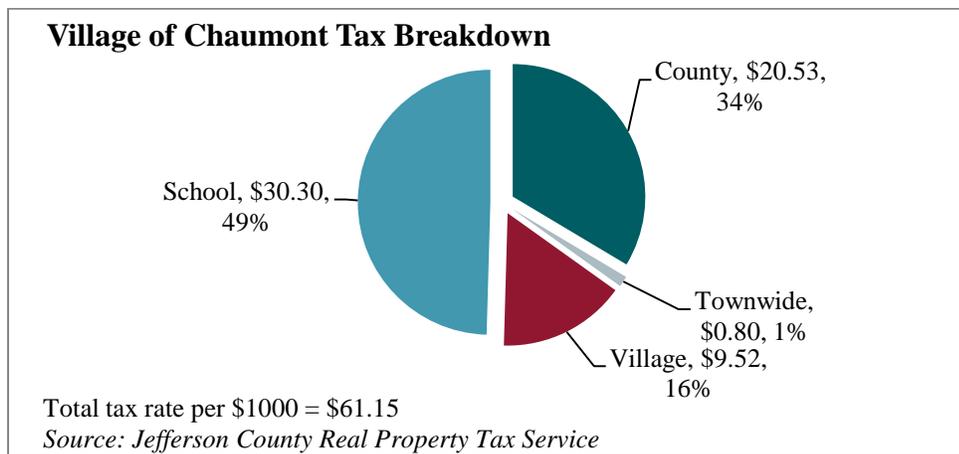
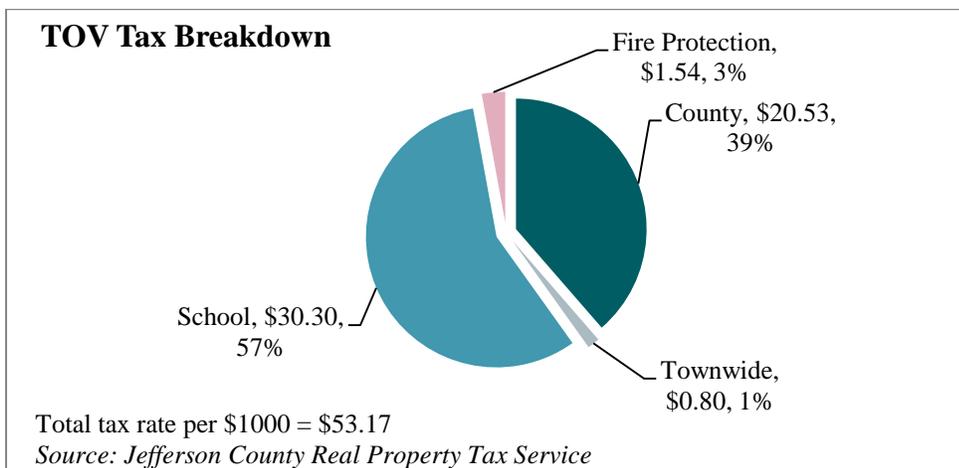


Figure 4



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

How Local Tax Rates Are Applied

Residents in the Town of Lyme are subject to different tax rates as a result of whether they live in the Village of Chaumont or in the Town-outside-Village (TOV), and the corresponding services they receive. Village residents are taxed both a Townwide tax for Townwide services and a Village tax for services and functions associated with the Village government.

Residents who live outside the Village (TOV) pay the same Townwide tax as Village residents and pay separate TOV taxes for services provided by the Town outside of the Village, such as fire protection or, for Three Mile Bay residents, for street lighting in the hamlet. Residents of the Village and TOV are also subject to additional local taxes such as county and school taxes.

How Tax Rates Are Calculated

Tax rates are the amount a taxpayer would be 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 total tax levy by its total taxable assessed value (TAV), and multiplying it by \$1,000.

$$\text{TAX RATE} = \frac{\text{TOTAL TAX LEVY}}{\text{TOTAL TAXABLE ASSESSED VALUE}} \times 1,000$$

Current Tax Levies

The 2011-12 tax levy (property tax) for the Village of Chaumont was \$115,450 and the 2012 Townwide levies were \$28,707 for the Townwide general fund and \$60,892 for the Townwide highway fund. There are no taxes for the TOV general or highway funds, as other revenue sources are expected to offset expenditures from those funds. The combined tax levy for the Village and Town, excluding special district *but including applied fund balance*, was \$205,049.

Taxable Assessed Value

The Village and Town have different property valuations across which to spread their respective tax levies. The Taxable Assessed Value (TAV) of property within each municipality is the base by which the tax levy is shared across the community.

For 2012, the Village had a TAV of about \$12.1 million and the Town-outside-Village (TOV) had a TAV of about \$99.4 million. It is important to note that the figures shown in Table 3 are the taxable assessed values and do not include the property value for tax-exempt properties covered in the next section. It is also important to note that both the

Town of Lyme and Village of Chaumont have equalization rates of 31%, meaning they are assessed at 31% of current market value.⁵

Table 3 also reflects the proportional difference in TAV between the Village and the TOV. The Village of Chaumont makes up 11% of the TAV of the entire Town while the TOV represents 89% of the total Town TAV. The TAV of the TOV fire protection district is just over \$100 million, likely due to fewer TOV properties being tax exempt from fire service taxes.

Table 3

Taxable Assessed Value		
Fiscal Year 2012		
	TAV	% of total
Village	\$12,121,551	11%
TOV	\$99,369,119	89%
Total Town	\$111,490,670	100%
Fire Protection	\$100,396,747	

Source: Jefferson County Real Property Tax Service

Tax Exempt Property

Based on the assessed values for 2012, 53% of the Town tax-exempt property is in the Village of Chaumont and 47% is in the TOV.

Table 4

Tax Exempt Value		
Fiscal Year 2012		
	Exempt Value	% of Total
Village	\$3,852,185	53%
TOV	\$3,401,477	47%
Total	\$7,253,662	100%

Source: Jefferson County Real Property Tax Service

⁵ The equalization rate is the state’s measure of a municipality’s level of assessment (LOA). This is the ratio of total assessed value (AV) to the municipality’s total market value (MV). An equalization rate of 100 is at market value, the lower the equalization rate the longer it has probably been since the last reassessment. The municipality determines the AV while the MV is estimated by the state. (Source: NYS Office of Real Property Services)

Estimating Impact on the Tax Rate

Because the Village and Town have different property valuations across which to spread their respective tax levies, every change in the budget will impact the property tax rate differently.

For example, for every \$10,000 change in the budget (either in revenues or expenses) the impact on the property tax rate per \$1,000 assessed value is summarized below:

Table 5

Tax Impact per \$10,000 Change in the Budget		
	Tax Levy Change	Tax Rate Change per \$1,000 TAV
Village of Chaumont	\$10,000	\$0.82
Town -outside-Village	\$10,000	\$0.10
Lyme Townwide*	\$10,000	\$0.09

Note: Based on the taxable assessed values used by the Town to calculate tax rates.

As the table indicates, due to the fact that the Village of Chaumont's taxable assessed value is much smaller than that of the Town-outside-Village, changes in Village tax levies or revenues have a much larger impact on Village tax rates.

Current Tax Rates

For the 2011-12 fiscal year, a Village taxpayer pays county, Village, Townwide and school district taxes. TOV residents pay county, Townwide, school district and Lyme Fire Protection taxes. The total local tax rate per \$1,000 of assessed value (excluding county and school tax) in 2011-12 was \$10.32 for a Village taxpayer and \$2.34 for a TOV taxpayer. This is shown in Table 6. Based on these rates, a tax-payer with an assessed property value of \$100,000 would pay \$1,032 per year in the Village and \$234 in the TOV. Note that county and school taxes are excluded from the local tax rates as these rates are not affected by the shared service or dissolution modeling covered in this report, but that the rates do reflect fund balances applied by the Town.

Table 6

Summary of 2012 FY Tax Rates on Sample \$100,000 Property		
	Total Tax Rate per \$1,000	Estimated Annual Tax Bill
Village of Chaumont	\$10.32	\$1,032
TOV	\$2.34	\$234

Note: Based on 2012 tax rates, excluding school, county, state and federal taxes. The TOV tax rate includes the Townwide tax and the Lyme Fire Protection District tax, but does not include the Three Mile Bay Light District tax, which applies only to a small portion of the Town.

Revenues and Expenditures for the Village and Town

For the current fiscal year, the Village has a total budget of \$596,650 and the Town budget is just under \$2.2 million. As a community, the combined budgets total nearly \$2.8 million, as shown in Table 7 on the next page. Detailed budget information can be found in Appendix A.

Table 7

Village of Chaumont and Town of Lyme Expenditures and Revenues						
Fund	Town of Lyme 2012 Budget	% of Town	Village of Chaumont 2011-2012 Budget	% of Village	Community Total	% of Community Total
Expenditures	\$2,199,863	100%	\$596,650	100%	\$2,796,513	100%
A - General	\$858,589	39%	\$274,550	46%	\$1,133,139	41%
B - General TOV	\$68,096	3%	\$0	0%	\$68,096	2%
DA - Highway	\$696,892	32%	\$0	0%	\$696,892	25%
DB - Highway TOV	\$241,890	11%	\$0	0%	\$241,890	9%
F - Water	\$0	0%	\$149,400	25%	\$149,400	5%
F1 - Water District 1	\$20,305	1%	\$0	0%	\$20,305	1%
F2 - Water District 2	\$102,541	5%	\$0	0%	\$102,541	4%
F3 - Water District 3	\$413	0%	\$0	0%	\$413	0%
F4 - Water District 4	\$17,692	1%	\$0	0%	\$17,692	1%
F5 - Water District 5	\$33,625	2%	\$0	0%	\$33,625	1%
G - Sewer	\$0	0%	\$172,700	29%	\$172,700	6%
SF - Fire District	\$154,000	7%	\$0	0%	\$154,000	6%
SL - Lighting District	\$5,820	0%	\$0	0%	\$5,820	0%
Revenues	\$1,735,264	100%	\$435,373	100%	\$2,170,637	100%
A - General	\$604,882	35%	\$159,540	37%	\$764,422	35%
B - General TOV	\$68,096	4%	\$0	0%	\$68,096	3%
DA - Highway	\$486,000	28%	\$0	0%	\$486,000	22%
DB - Highway TOV	\$241,890	14%	\$0	0%	\$241,890	11%
F - Water	\$0	0%	\$150,279	35%	\$150,279	7%
F1 - Water District 1	\$20,305	1%	\$0	0%	\$20,305	1%
F2 - Water District 2	\$102,541	6%	\$0	0%	\$102,541	5%
F3 - Water District 3	\$413	0%	\$0	0%	\$413	0%
F4 - Water District 4	\$17,692	1%	\$0	0%	\$17,692	1%
F5 - Water District 5	\$33,625	2%	\$0	0%	\$33,625	2%
G - Sewer	\$0	0%	\$125,554	29%	\$125,554	6%
SF - Fire District	\$154,000	9%	\$0	0%	\$154,000	7%
SL - Lighting District	\$5,820	0%	\$0	0%	\$5,820	0%
Use of Fund Balance	\$375,000	22%	\$17,000	4%	\$392,000	18%
A - General	\$225,000	60%	\$0	0%	\$225,000	10%
DA - Highway	\$150,000	9%	\$0	0%	\$150,000	7%
G - Sewer	\$0	0%	\$17,000	4%	\$17,000	1%
Property Tax	\$249,419	14%	\$115,450	27%	\$364,869	17%
A - General	\$28,707	2%	\$115,450	27%	\$144,157	7%
B - General TOV	\$0	0%	\$0	0%	\$0	0%
DA - Highway	\$60,892	4%	\$0	0%	\$60,892	3%
SF - Fire District	\$154,000	9%	\$0	0%	\$154,000	7%
SL - Lighting District	\$5,820	0%	\$0	0%	\$5,820	0%
Increased Fees (Revenue)	\$0	0%	\$30,146	7%	\$30,146	1%
G - Sewer	\$0	0%	\$30,146	7%	\$30,146	1%

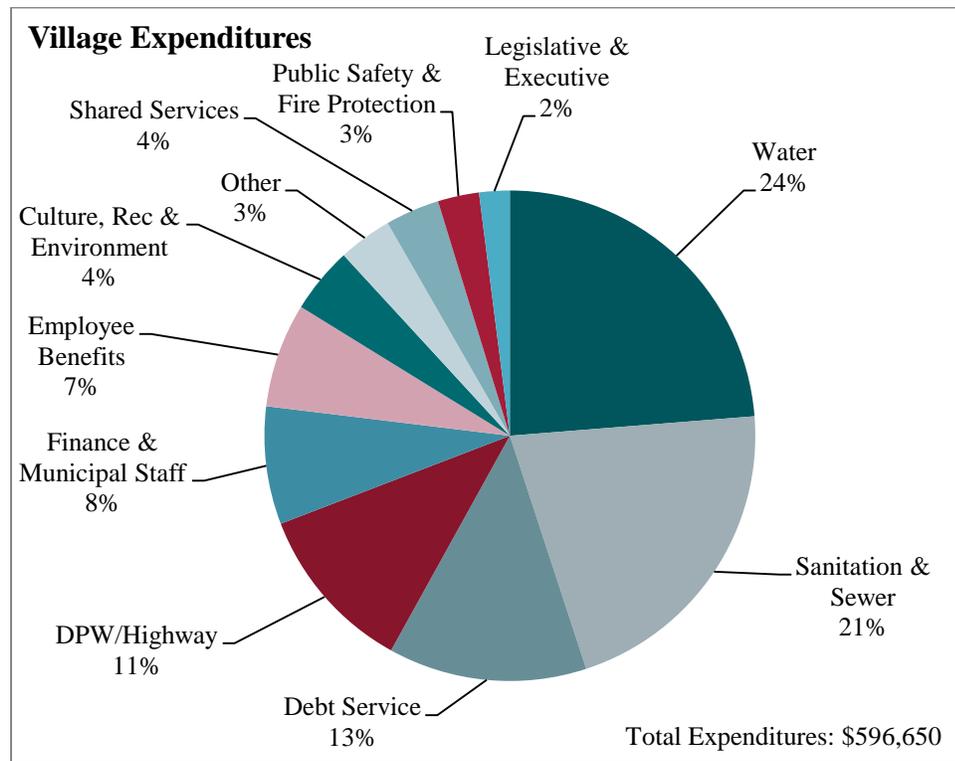
Notes to Table 7:

The Town’s 2012 budget includes approximately \$970,000 in sales tax distribution from Jefferson County (44% of total Town revenues). The Village budget includes \$111,000 in sales tax monies (approximately 19% of total Village revenues).

Summary of Expenditures

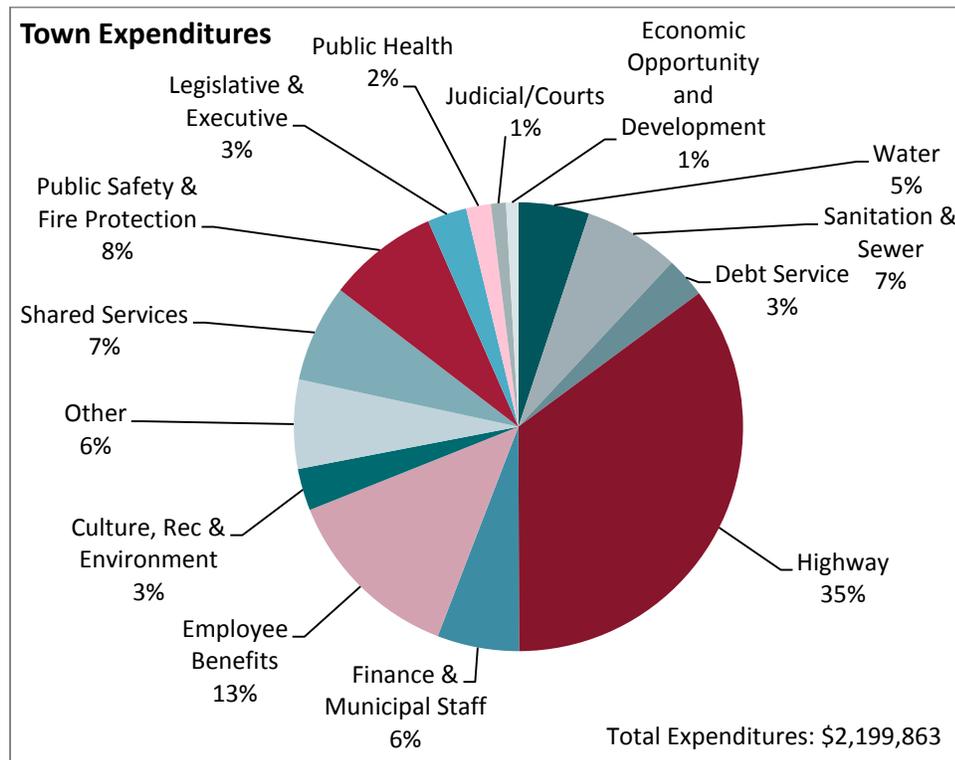
As shown in Figure 5, during the 2011-12 fiscal year, the Village of Chaumont budgeted 24% of total expenditures on water, 21% on sewer and sanitation, and 13% on debt service (primarily for sewer, but a portion was for water debt). DPW operations represent the fourth largest expenditure for the Village, accounting for 11% of expenditures. By comparison, the Town of Lyme spent 35% of total expenditures on highway functions. The Town’s next largest category was employee benefits, accounting for 13% of expenditures. Public safety and fire protection made up 8% of expenditures, followed by sewer and sanitation⁶, and shared services, both at 7%. Figures 5 and 6 show the breakdown of Village and Town expenditures by function.

Figure 5



⁶ For the Town of Lyme, this category is for refuse and garbage-related services. There is no sewer service in the TOV.

Figure 6



Village and Town Fund Balances

At the end of each fiscal year, every municipality either over or under spends relative to the revenue it receives. These surpluses or negative amounts are tracked over time in an account designated as fund balance. Tracking fund balance is a helpful tool to analyze how well a municipality is budgeting and how it handles excess (reserve) resources in future years. According to the Government Finance Officers Association (GFOA), a local municipality should have approximately two months of expenditures on reserve in order to properly manage financial affairs for the community.⁷ On average this would be between 5% -15% of the municipalities' budget.

Table 8 presents the fund balances at the close of each municipality's most recent fiscal year and show:

- At the end of the 2010-2011 fiscal year, the Village had a total fund balance of about \$105,800. The fund balance for the general fund was nearly \$59,000, the water fund about \$18,000, and the sewer fund about \$29,000.

⁷ <http://www.gfoa.org/downloads/caafr-appropriate-level.pdf>

- Based on CGR’s reading of the Town’s year-end financial report, the Town had a total fund balance of \$977,000 apportioned into general, highway, water and other funds as shown in Table 8 below.

Table 8

Fund Balances		
	Fund/Purpose	Fund Balance
Village of Chaumont As of 5/31/11	General Fund (A)	\$58,936
	Water Fund (F)	\$17,958
	Sewer Fund (G)	\$28,897
	Total	\$105,791
Town of Lyme As of 12/31/11	General Fund (A & B)	\$565,295
	Highway (DA & DB)	\$292,859
	<i>Townwide (DA)</i>	\$255,265
	<i>Town-outside-Village (DB)</i>	\$37,594
	Water District 1	\$1,010
	Water District 2	\$298
	Water District 3	\$12
	Water District 4	\$60
	Water District 5	\$15,643
	Water Reserve Fund	\$82,837
	Three Mile Bay Fund	\$12,359
	Fox Creek Burial Grounds	\$4,726
	Lyme Consolidated Health District	\$2,074
Total	\$977,174	

Source: Village and Town

Village and Town Debt

At the end of calendar year 2011, the Village had \$1.86 million in outstanding debt and the Town had \$907,100 in debt. Table 9 lists the outstanding debt principals.

Table 9

Outstanding Debt		
	Purpose	Principal Outstanding
Chaumont (As of 12/31/11)	Water Fund ¹	\$88,000
	Sewer Fund ²	\$1,768,000
	Total	\$1,856,000
Lyme (As of 12-31-11*)	Water District #1	\$44,000
	Water District #2	\$423,300
	Water District #4	\$89,800
	Water District #5	\$350,000
	Total	\$907,100

Source: Village and Town

¹ \$34,000 of Water Fund debt is for repairs to the water tower, with annual payment in August of \$5,000 plus 3.25% interest, and debt will be paid off in 2018. Remaining \$54,000 is balance outstanding on 2011 debt to purchase 200 digital water meters and readers (radio read equipment). Village pays \$6,000 plus 3.25% interest annually in November, and debt will be paid off in 2021.

² The Sewer Fund debt is for the wastewater treatment plant and sewer line system installation project throughout the Village. The initial principal was nearly \$2.4 million. Payments are made each October, and the 2011-12 total due was \$72,000. The payment increases most years by \$1,000, and the debt will be paid off in 2032.

*Town debt is estimated, based on 2010 outstanding principals minus 2011 payments made. Final amounts reported by Rural Development may vary slightly. Water District #5 is new, with first payment due in 2012.

Village and Town Staffing Overview

Table 10 gives an overview of the Village and Town staffing as of March 2012. The Village has 2 fulltime employees, 1 part-time laborer, 1 part-time code enforcement officer, a mayor and 4 trustees. The Town has 10 fulltime employees – 8 in Highway, 1 at the Transfer site, and an elected Town Clerk. Another 20 employees work part-time for the Town, including 11 filling elected positions (supervisor, council members, assessors, tax collector, judges). The remaining part-time staff members include 5 at the transfer site, 1 in code enforcement, 1 deputy Town clerk, and 1 police officer (the Town is seeking to fill this recently vacated position). The table does not include staff members who are very part-time or seasonal (e.g., recreation, cemetery) or members of boards (e.g., planning, zoning, water) or contracts for professional services (e.g., attorney, engineer). The notes to the table provide additional information, including details on employees shown in Table 10 who also perform other duties for the Town.

Table 10

2012 Staffing*					
	Chaumont		Lyme		Combined
	Full Time	Part Time	Full time	Part Time	TOTAL
Mayor/Town Supervisor		1		1	2
Trustee/Councilman		4		4	9
V. Clerk-Treasurer/Town Clerk	1		1		2
Deputy Clerk				1	1
Assessor				3	3
Code Enforcement/Zoning		1		1	2
Hwy Supt			1		1
DPW Employees	1	1			2
Highway MEO			7		7
Tax Collector				1	1
Judge				2	2
Police Officer**				1	1
Transfer Site			1	5	6
Totals (without double counting)	2	7	10	19	38

* Part-time staff in the following areas are not listed on in the table due to the relatively small number of hours worked: Recreation, Cemetery, Cleaning, Planning, Zoning and Water Boards, and an assistant (second deputy clerk) to the Town Clerk who works just a few hours a week.

** Police position is vacant, recruiting is in progress

Note: Some Town personnel listed in Table 10 have additional duties:

1 Town assessor also handles water billing

1 Town assessor also serves as payroll clerk

Deputy Town Clerk also serves as clerk to both the Town Court and Zoning Board

Town Clerk is also the receiver of water payments for the Town

Employee Benefits

In addition to federally mandated Social Security and Medicare benefits, in 2011 the Village Clerk-Treasurer received a portion of her health plan coverage (and 100% dental plan) paid by the Village. The fulltime Village DPW employee had the same benefits, excluding health care coverage, plus received other specified benefits (e.g., phone, boot allowance). Part-time Village staff received only mandated Social Security and Medicare benefits. The only significant change in the type of benefits available to Village staff in 2012 involves retirement. In mid-February, the Village Clerk-Treasurer, and both DPW employees became eligible to join the state retirement system. As of spring 2012, the Village had not received its first bill for the Village's share of retirement costs. Village employees are not covered by collective bargaining

agreements. The Village also currently has no obligations regarding post-retirement benefits.

In the Town, only Highway employees are covered by a collective bargaining agreement (see Appendix B for a summary of current contract between the Town and Teamster Local 687). However, all fulltime employees are eligible for health care coverage, with Highway staff coverage dictated by the union contract,⁸ and other fulltime staff eligible for health/dental coverage provided through the Town. Fulltime staff members who are not covered by the union can opt to receive payment equal to one-third of the cost of the Town-provided health⁹ plan, referred to as a “buy back.” All full- and part-time staff members receive Town-paid Social Security and Medicare benefits. The Town contributes to the NYS Retirement System for all Highway employees and for three other staff members.

The next sections of this report provide detailed information for key functional areas for the Village and Town. Each section presents an overview of how current services are provided.

How Services Are Currently Delivered

General Government Operations

Village and Town governments provide a range of services to persons and property within their municipal boundaries. Specific functions such as public works and fire are described in more detail in separate sections of this report. This section provides information about the services, costs and revenues that support general government operations. These descriptions are intended to address the general budget categories as shown in the Village and Town budgets. More detailed information about the categories is shown in Appendix A, which contains the detailed budget comparisons for the Village and Town.

Village Mayor, Town Supervisor and Trustees

The annual cost of salaries for the Mayor and 4 Village trustees is \$12,000. The part-time Mayor receives a salary of \$5,000 and each Trustee receives \$1,750. The total expenditure for Mayor and Board member benefits, which consist of Social Security and Medicare employer contributions, is \$918.

In the Town, the part-time Supervisor receives a salary of \$10,300¹⁰ and the aggregate salary for the 4 Town Board members totals \$19,540. The total expenditure for Town

⁸ Town highway staff, per union contract, must take union health benefits

⁹ Town health plan includes dental

¹⁰ The Supervisor also serves as the Town’s Consolidated Health Officer, for which he receives \$1,000 in salary and about \$77 in Social Security/Medicare benefits.

Supervisor and Board member benefits, which consist of Social Security and Medicare employer contributions, is \$2,283.

Current Boards

Both the Town and Village support volunteer boards. The Village has a Planning Board and members serve without compensation. The Town has Planning, Zoning and Water Boards. The members of the Town's Water Board, which meets monthly, receive small stipends, for which the Town currently budgets a total of \$4,775. The comparable amount for the Town's Planning and Zoning Boards is approximately \$3,500 per board.

Municipal Property

The Village and Town each own a variety of property and assets that allow them to fulfill their governmental and service functions on behalf of the community. Tables 11-12 list municipally-owned properties. Lists of major assets owned by the Village and Town are provided in Appendix C.

Table 11

Chaumont - Village Owned Property				
Parcel ID	Street	Class #	Property Class	Total AV
61.08-1-9.2	27831 Co Rte 179	823	Water Treatment	\$21,500
61.34-1-25.3	NYS Rte 12E	330	Vacant Comm.	\$3,000
61.42-2-18.3	Co Rte. 179	311	Res Vac Land	\$100
62.00-2-2	Morris Tract Rd	323	Vacant Rural	\$100
61.11-1-18.1	27870 Bay View Dr	590W	Park	\$66,000
61.11-1-80	27002 Hart Rd	820	Water-Public	\$100,000
61.34-1-23.1	W Main St	557	Outdoor Sport	\$65,600
61.34-1-23.3	SW of Main St	590	Park	\$7,000
61.34-1-25.1	11334 Circle Dr	651	Hwy Garage	\$12,600
61.42-2-1	Cor W Main & Water	972W	Underwater	\$5,500
61.43-1-4	N of E Main St	822	Water Supply	\$90,000
61.43-1-3.2	N of NYS Rte 12E	311	Res Vac Land	\$200

Source: Jefferson County Office of Real Property

Table 12

Lyme - Town Owned Property				
Parcel ID	Street	Class #	Property Class	Total AV
50.00-2-18	NE of Swamp Road	314	Rural Vac Land	\$100
50.00-2-23.3	29565/560 Ashland	311	Res vac land	\$1,500
50.00-2-37.3	Co Rte 57	695	Cemetery	\$1,000
51.00-1-13.22	Robinson Road	695	Cemetery	\$100
51.00-1-3	N of Ashland Rd	695	Cemetery	\$200
51.00-1-40	E of Ashland Rd	695	Cemetery	\$2,200
60.08-1-11	NYS Rte 12E	695	Cemetery	\$28,000
60.11-1-1	27990 Co Rte 57	852	Landfill	\$47,300
60.11-1-66.1	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-66.2	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-67.1	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-67.2	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-68	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-69	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-70	S of County Rte 57	323	Vacant Rural	\$100
60.11-1-71	S of County Rte 57	311	Res vac land	\$100
60.11-1-72	S of County Rte 57	323	Vacant Rural	\$100
61.07-1-4.31	NYS Rte 12E	592	Athletic Field	\$3,000
61.13-1-9	Three Mile Point Rd	311	Res vac land	\$1,000
61.13-1-29	Three Mile Point Rd	311	Res vac land	\$400
61.34-1-21	Wilson Ln	311	Res vac land	\$100
61.51-1-30	12171/175 NYS Rte	651	Hwy Garage	\$145,000
62.00-2-15.2	12508 Morris Tract	592	Athletic Field	\$22,000
62.00-2-26	NYS Rte 12E	852	Landfill	\$5,000
70.11-3-69	Failing Shores Ln	323	Vacant Rural	\$1,000
70.11-3-70	Failing Shores Ln	323	Vacant Rural	\$1,000
70.16-1-2	NW of State Pk Rd	695	Cemetery	\$2,300

Source: Jefferson County Office of Real Property

Inter-municipal Agreements and Contract Summary

The Village and Town have a number of agreements and contracts in place regarding delivery of services or sharing of facilities, equipment or personnel.

Chaumont-Lyme IMAs

The Village and Town have the following inter-municipal agreements (IMAs):

- **Joint Use of Salt/Sand Barn on Rt. 12E** – 20-year agreement was signed Dec. 31, 2008.
- **Joint Use of Town Municipal Building** – The Village has been housed in the Town’s building since 2009. The original IMA was a one-year agreement and no new agreements have been signed, but the parties have continued the arrangement.

Chaumont Contract with DANC

- **Outsourcing of Responsibility for Village Sewer Facility Operation and Maintenance** – The Village has a contract with the Development Authority of the North County (DANC) to provide operation and maintenance services for the Village sewer facilities (e.g., wastewater treatment plant, wastewater collection system). The term of the 5-year contract is from August 1, 2011 to July 31, 2016. The agreement may be terminated by either party with 90 days written notice. Details of this contract are provided later in this report.

Chaumont Verbal Agreements

- The Village does not have a written agreement with the Chaumont Volunteer Fire Company but currently budgets \$15,000 annually for fire protection services in the Village. Payment is made to the fire company.
- The Village has a verbal agreement with an outside contractor for once-a-week pickup of trash from Village properties and delivery to the Town transfer site. The service costs \$250 per week and was put in place in late 2011 since the Village refuse truck could not be repaired.

Lyme Current Agreements

- **Chaumont Volunteer Fire Company, Inc.**, (2012 contract signed August 2011). The Town’s 2012 budget calls for the company to receive \$77,000 for the year to provide services within the Town’s fire protection district.
- **Three Mile Bay Fire Company, Inc.** (2012 contract signed October 2011). The Town’s 2012 budget calls for the company to receive \$77,000 for the year to provide services within the Town’s fire protection district, and \$35,000 to provide ambulance service to the entire Town of Lyme.
- **“Cooperation Agreement” with the Lyme Central School District** (approved by resolution of both boards in November 2010). The agreement authorizes the Town’s Supervisor and Highway Superintendent and the School District Superintendent to use their discretion to share resources (e.g., equipment, personnel) in the undertaking of various services and projects in the public interest. The agreement does not call for financial compensation. The agreement is extended automatically each year unless either party terminates it.

- **Professional Services Agreement for Water System Engineering Services.** This is an on-demand service contract with Bernier, Carr & Associates in which the Town only incurs costs when the firm is directed to provide services.

Administrative Staff

Both the Village and the Town have administrative staff to support the two boards and the operations of the Village and Town, and to provide Village and Town services to the public.

Village

The Village has a fulltime Clerk-Treasurer who assists the mayor in preparing the annual budget; serves as treasurer and tax collector; handles water/sewer billing and receiving; and is responsible for Village payroll, abstracts, board minutes, and assisting residents with questions related to taxes, water/sewer bills, problems with refuse, etc. The current salary for the position is \$39,980. In calendar year 2011, total benefits (including Village contributions to health, dental, Social Security and Medicare) were \$11,565. In 2012, due largely to higher costs for healthcare that took effect in January, total benefit costs are estimated to be about \$13,700 for a current total employee cost of approximately \$52,250, not including Village paid retirement.

Note: In mid-February 2012, Village employees became eligible, for the first time, to participate in the NYS Retirement System¹¹. At the time of this study the Village had not been billed by the state for its first retirement payment.

Town

Elected Clerk: Lyme's fulltime Clerk is responsible for maintaining vital statistics (e.g., birth, deaths, marriages in the Town-outside-Village); dealing with licenses (e.g., hunting, fishing, dog); board minutes; and assisting the Town assessor and code enforcement officer. In addition, the Town Clerk receives water payments from residents, and assists residents in a variety of other ways. The Town Clerk's current clerk salary is \$31,615, plus she receives an additional \$4,584 to receive water bills. Town benefit contributions include health/dental, Social Security and Medicare, but the current Clerk opts to receive payment in lieu of health/dental coverage (equal to one-third of the total healthcare premium for coverage provided through the Town). The current total employee cost, not counting retirement¹², is nearly \$46,000. However, if healthcare coverage had been provided through the Town, the total employee cost would equal about \$56,800, not counting retirement.

Deputy Clerk Positions: The Town Clerk is assisted by a part-time hourly deputy clerk, who also serves the Town as part-time court clerk and part-time secretary to the Lyme Zoning Board. The Town currently budgets about \$14,000 for the deputy clerk position.

¹¹ Tier 5

¹² Town contribution to retirement for this position in 2012 is approximately \$4,500.

A second deputy clerk position is budgeted at \$2,000. This assistant to the Town Clerk works about 4-6 hours weekly.¹³

Payroll Clerk: One of the Town's elected assessors also is paid separately to serve as payroll clerk. The position, not including Social Security and Medicare benefits, currently is budgeted at about \$4,200.

Tax Collector: The position is currently budgeted at \$4,800 annually, with Social Security and Medicare costs additional.

Assessment Services

The Town has three elected assessor positions. The Town provides assessment services Townwide, thus there will be no shared service/consolidation options that will be considered by the Committee for this service.

Other General Government Services

- The Village currently budgets \$300 annually for elections; the Town \$1,000 annually.
- The Village currently budgets \$5,000 annually for attorney's fees; the Town \$15,000.
- The Village currently budgets \$600 for animal control services; the Town \$500. Often neither municipality expends much, if any, of these funds, since they are needed only for emergency purposes.

Department of Public Works & Highway Services

Village Public Works Services

Approximately half of the fulltime DPW employee's time is spent on work for the Village's water fund for the supply, distribution and metering of clean water. The rest of his time, and that of the 24-32 hour a week part-time DPW employee is spent on street maintenance; snow plowing; recycling; brush/leaves/grass pickup (1 day a month 7 months a year); equipment repairs; maintenance of a small park near the post office; mowing, maintenance and grounds keeping for the Village beach and sewer plant, Memorial Drive, Chaumont Fire Hall grounds, and tennis courts; weed control around all traffic signs and behind all bridge rails, and miscellaneous other duties.

Village residents are responsible for shoveling their own sidewalks, but a member of the DPW crew does shovel the area by Memorial Park, the small bridge between the Library and the local hardware store, and the entryway to the Chaumont Fire

¹³ For both positions, benefit costs – employer paid Social Security and Medicare – would be additional.

Department if seniors are meeting there on Fridays during winter months. The Village has done no sidewalk repair for several years, due to budget constraints, but is discussing adding \$5,000 into its 2012-13 general budget to help cover the cost of some needed repairs. The Village is not responsible for any cemetery maintenance. There is one cemetery in the community that is active (Cedar Grove) but it is privately owned.

Until late 2011, the DPW was also responsible for once-a-week garbage pickup and the Village paid “tipping fees” to use the Town transfer station (currently \$12,280 annual expense for the Village), since the Town hauls dumpsters and recycled materials to designated Jefferson County sites. When the Chaumont garbage truck broke down in late 2011 and couldn’t be repaired, the Village arranged for an outside hauler from a nearby community to provide garbage pickup for \$250 a week. This arrangement is to continue through the end of May 2012. At the time of this report, no decision had been by the Village on next steps for garbage pickup.¹⁴

The fulltime DPW employee is currently paid \$15.60 an hour. In calendar year 2011, his total compensation for salary and overtime was \$32,845. His benefits (e.g., employer paid contributions for dental coverage, Social Security, Medicare, boot allowance, phone) totaled \$3,605. Thus, total employee cost for this fulltime position in the most recent calendar year was \$36,450.

The part-time DPW employee joined the Village staff for the final quarter of 2011, after the Village’s second fulltime DPW employee left the area and sewer operations and maintenance were outsourced by the Village to the Development Authority of the North Country (DANC). Had this position been funded for the entire 2011 calendar year, CGR estimates the total cost of this position would have been \$16,420 (wages) + \$928 (Social Security/Medicare), for a total employee cost of \$17,348.

Town Highway

The Town Highway Department includes a fulltime elected Highway Superintendent and 7 machine equipment operators (MEOs). In addition there is a part-time position budgeted for a maximum of 39 hours a week¹⁵ that is vacant, and the Town has no immediate plan to fill the vacancy.

Since there is no DPW Superintendent in the Village, the Highway Superintendent supervises DPW staff as needed. In spring 2012, the Superintendent said the fulltime DPW employee is meeting the needs of the Village and requires very minimal assistance from him.

¹⁴ CGR notes that the current budgeted amount for Village refuse services is \$30,500, which equates to a tax rate of \$2.52 per \$1,000 for Village taxpayers. This total includes Village use of the Town transfer station (\$12,280).

¹⁵ This position is not eligible for union benefits (e.g., health, retirement).

The Department's major responsibility is to maintain 40 center line miles of highway in the Town. In addition, County Routes 5, 8, 57 and parts of 6, 125, and 179 run through Lyme. Jefferson County pays the Town to maintain 30 county road miles during the winter. State Route 12E also runs through Lyme, and the Town receives compensation from the state to maintain 18.9 miles of state road. Jefferson County and New York State are responsible for maintenance of all bridges in the Town.

There are five water districts in the Lyme. One Highway MEO, with some limited assistance from other Town Highway staff, handles water-related services for residents of the Town-outside-Village. Properties in the TOV are on septic systems and there is no sewer system for the Town to maintain. No one on the Town Highway staff currently has a sewer license, and none is currently needed.

The Town has two ball fields – Morris Tract and a site on Route 12 – but maintenance of the ball fields is outsourced by the Town. Like the Village DPW, the Town Highway Department does not do cemetery maintenance. Lyme has six small cemeteries, all of which are abandoned.

The Town of Lyme has to report costs of its highway department across two separate funds. The first fund is referred to alternatively as the “Whole Town” fund or the “DA” fund and represents costs that are spread out across all Town taxpayers (nearly \$697,000 in 2012 or 32% of the Town's budgeted expenditures).

The second fund is the “Part Town” fund or “DB” fund and represents only those costs paid for by Town-outside Village residents (about \$242,000 in 2012 or 11% of Townwide expenditures).¹⁶ Another important distinction between the Town and Village operations is that, while the Village DPW employees are not unionized and do not work under a collective bargaining agreement, the Town Highway staff do.

Transportation Related Revenues – Village and Town

There are two major sources of transportation revenues for the municipalities, NYS Consolidated Highway Aid (referred to as CHIPS) and income associated with providing services for county and state governments. In Lyme, CHIPS revenues are applied to the DB (Part Town) fund.

CHIPS Revenues – 2012 Budgets

- Village = \$31,850
- Town = \$100,000

¹⁶ Water related expenditures and revenues are not part of DA and DB funds, but are applied, as appropriate, to individual water districts in the Town. CGR also points out that that Town Highway Law § 277 permits towns discretion as to whether or not to assign certain costs to the DA fund budget, or to the Town-outside-Village DB fund budget.

Transportation Services for Other Governments – 2012 Budgets

- Village = \$0
- Town = \$150,680

Water and Sewer Overview

The Development Authority of the North County (DANC) supplies water to both the Village and Town. One water tower supplies the Village, and for the TOV water is fed to residential users off the main DANC line. Both communities are charged a base service charge by DANC and a variable charge based on a rate per 1,000 gallons used. The base and water rate charges are not identical. The two municipalities also structure user rates for water differently.

Only the Village has a sewer system. Town-outside-Village residents rely on septic systems.

Lyme Water Districts

The Town of Lyme currently has 5 water districts and approximately 40% to 50% of TOV residents have water service. All water systems in the Town are relatively new. A total of 270 customers are billed, based on usage, every two months and bills include debt service appropriate to each user's own water district. Town water district bills include the following:

- \$2.55 charge per thousand gallons used
- \$32.53 to cover DANC service charge
- From \$16 to \$29 (varies by district) for O&M (operational/maintenance fee)
- From \$19 to \$54 (varies by district)¹⁷ for debt service

The water districts in the Town are self-supporting. The Town recently became 100% "radio read" for water meter reading, which means it can now read meters for all customers in 2.5 hours, instead of the 2.5 days it used to take.

Village Water & Sewer

Since 25% of all Village expenditures involve water and 29% involve sewer, the current Village board has been monitoring water and sewer costs carefully, working to bring the two funds – slowly for residents' sake – to a healthy bottom line. In the past these funds had little-to-no fund balance, but the Village has, to date, built small ones

¹⁷ Excludes Water District #3, which is small and has no debt.

for both water and sewer. Village officials are aware of the long-term need to upgrade both systems, but capital costs have not been identified.

Water and sewer users are billed six times a year by the Village. The amount users pay for sewer debt is itemized as sewer “debt service.” The amount users pay for water debt is built into their water charges and is not separately listed as water “debt service.” Table 13 provides a breakdown of water debt payments in the Village’s current year.

Table 13

Principal Paid in Village 2011-12 FY for Water Debt		
Description	Payment on Principal	Interest Rate
Repairs to Water Tower	\$5,000	3.25%
Water meters & readers*	\$6,000	3.25%

*Purchased in late 2011, but not budgeted.

Water Billing

The Village sends out about 290 water bills every two months. The average residential customer is billed for water as follows:

- \$30.00 base charge
- \$4.75 per thousand gallons for water usage over 3,000 gallons
- \$15.75 for DCC fee (Development Authority billing)
- \$5.00 for O&M fee (operational/maintenance)

Village Water System Fiscal Status

As Table 14 shows, the Village’s current budget shows revenues exceed expenses for water. However, the Village decided late in 2011 to purchase radio read meters¹⁸ that would allow it, prior to every two-month billing cycle, to take meter readings in 15 minutes rather than 1.5 days. The \$6,000 charge plus interest the Village paid in the current fiscal year for the new equipment is not reflected in this budget. Payment was made from the Village water fund.

¹⁸ Cost of new equipment is \$60,000 and debt will be paid off in 2021.

Table 14

Code	Description	Chaumont Village Budget 2011-2012
ESTIMATED EXPENDITURES - WATER		
Special Items		
F1990.4	Contingency Acct.	\$500
	Total Special Items	\$500
Water		
F8310.1	Water Admin P.S.	\$5,500
F8310.2	Water Admin Eq.	\$500
F8310.4	Water Admin C.E.	\$2,600
F8320.2	Source of Supply, Power & Pumping Eq.	\$10,000
F8320.4	Source of Supply, Power & Pumping C.E.	\$10,000
F8330.4	Purification C.E.	\$500
F8340.1	Transportation & Distribution P.S.	\$12,000
F8340.2	Transportation & Distribution Eq.	\$500
F8340.4	Transportation & Distribution C.E.	\$100,000
	Total Water	\$141,600
Employee Benefits		
F9030.8	Social Security	\$1,300
	Total Employee Benefits	\$1,300
Debt Service		
F9750.6	Budget Notes - Principal	\$6,000
	Total Debt Service	\$6,000
	TOTAL ESTIMATED EXPENDITURES	\$149,400
ESTIMATED REVENUES - WATER		
Home and Community Services		
F2140.1	Metered Water Sales	\$112,168
F2140.2	O&M Charge (DCC and O&M)	\$35,439
F2144	Meter Sales	\$72
F2145	Service Connection	\$600
F2148	Interest and Penalties	\$2,000
	Total Home and Community Services	\$150,279
	TOTAL ESTIMATED REVENUES	\$150,279

Village Sewer

The Village was mandated some 10 years ago by the NYS Department of Environmental Conservation to address issues since Village septic tanks were leaking into Lake Ontario. At that time the Village had an opportunity to get a sizeable federal grant for a new sewer system and wastewater treatment plant and also to get the balance funded through Rural Development at a low interest rate.

However, the sewer system has cost the community more than officials at that time anticipated; has been more costly to maintain than originally anticipated; and has, at times, not generated enough annual revenue through user fees to cover costs.

Although the sewer plant is under 50% capacity, capital improvements of an unknown cost are needed at the plant; and debt service costs (currently \$52.67 every two months for the average single-family residence) help push the average water/sewer bill for a Village homeowner to approximately \$130 every two months.

Prior to August 2011, the Village had a second fulltime DPW employee who oversaw the wastewater treatment plant and sewer system and spent at least half his time on sewer-related duties. He took another position in fall 2011, and at that time the Village outsourced operation and maintenance services for its sewer facilities (e.g., wastewater treatment plant, wastewater collection system) to the Development Authority of the North Country (DANC). The term of the five-year contract is from August 1, 2011 to July 31, 2016.¹⁹ The costs associated with the contract are shown in Table 15 below:

Table 15

DANC Contract Costs			
Year	Base Count	Other Services	Total
2012	\$25,000	\$6000	\$31,000
2013	\$28,890	\$6000	\$34,890
2014	\$30,000	\$6000	\$36,000
2015	\$30,970	\$6000	\$36,970
2016	\$31,975	\$6000	\$37,975

Sewer Billing

The Village bills sewer customers at the same time, and on the same bill, as it invoices for water. The Village bills about 275 customers every two months, as follows:

- \$52.67 for debt service
- \$1.50 per thousand gallons of water used
- \$13.50 for O&M fee (operational/maintenance)

Village Sewer System Fiscal Status

As Table 16 shows, the Village had to budget a \$17,000 appropriation from its sewer fund and \$1,000 from a contingency account, plus increase sewer rates²⁰ to generate more than \$30,000 in order to cover approximately \$173,000 in sewer expenditures in its current fiscal year budget.

¹⁹ The agreement may be terminated by either party with 90 days written notice.

²⁰ By \$13.50 per user per invoice

Table 16

Code	Description	Chaumont Village Budget 2011-2012
ESTIMATED EXPENDITURES - SEWER		
Special Items		
G1920.4	Municipal Association Dues & Miscellaneous	\$2,000
G1990.5	Contingency Acct.	\$1,000
	Total Special Items	\$3,000
Sewage		
G8110.1	Legal & Admin P.S.	\$1,500
G8110.2	Legal & Admin Eq.	\$500
G8110.4	Legal & Admin C.E.	\$3,000
G8120.2	Sanitary Sewers Eq.	\$12,000
G8120.4	Sanitary Sewers C.E.	\$35,000
G8130.4	Sewage Treatment & Disposal C.E.	\$1,200
G8140.1	Storm Sewers P.S.	\$17,000
G8140.4	Storm Sewers C.E.	\$26,000
	Total Sewage	\$96,200
Employee Benefits		
G9030.8	Social Security	\$1,500
	Total Employee Benefits	\$1,500
Debt Service		
G9770.6	Revenue Anticipated Notes - Principal	\$72,000
	Total Debt Service	\$72,000
	TOTAL ESTIMATED EXPENDITURES	\$172,700
ESTIMATED REVENUES - SEWER		
Home and Community Services		
G2140	Debt Service	\$95,754
G2142	Unmetered Water Sales	\$19,500
G2148	Interest and Penalties	\$2,100
	Total Home and Community Services	\$117,354
Miscellaneous		
G2770	Connection Fees	\$8,200
	Total Miscellaneous	\$8,200
Appropriated Fund Balance		
G910	Unreserved Fund Balance - Appropriated	\$17,000
	Total Appropriated Fund Balance	\$17,000
User Fee Increase		
G	Increase in Sewer Rates	\$30,146
	Total User Fee Increase	\$30,146
	TOTAL ESTIMATED REVENUES	\$172,700

Transfer Station

The Village takes all garbage, refuse and recycling that it collects from Village properties to the Town's transfer station, and the Town hauls the dumpsters and recyclables to designated Jefferson County sites. The Village pays tipping fees to the Town for use of the transfer station, and the \$12,280 Chaumont paid the Town in the current fiscal year equated to \$40 for each Village parcel.

The Town does not provide pickup refuse service to residents in the TOV. In 2011 the Town charged TOV property owners \$40 a year to drop their garbage and recyclables at the transfer station. In 2012, all Town property owners are being charged as part of their Town tax bill for this service, and the Town plans to continue this approach going forward. As a result, the Village, beginning with its upcoming fiscal year, will no longer include the cost of tipping fees for Chaumont property owners in its budget.

Part Two of this report will not examine options for the transfer station. Since only the Town offers this service there is no consolidation or shared service option that will be considered by the Study Committee.

Public Safety

Police

The Town budgets approximately \$16,000 annually for part-time police coverage, with 75% covering personnel expenses and the remainder for equipment and contractual expenses. The Village currently budgets \$1,200 which it has traditionally paid directly to police personnel. The Town has one police car, which has been used in recent years, by either one or two very part-time officers serving both the TOV and Village. At the time of this report the Town did not have a police officer and was recruiting to fill a single vacancy. The Town Board was also seeking to define what type of police service it wishes to provide to residents.

Fire, Ambulance & Emergency Response

There are two nonprofit, volunteer fire companies that serve the community, Three Mile Bay Fire Department and the Chaumont Volunteer Fire Department. On paper, the TOV constitutes a single Lyme Fire Protection District, with each department responsible for a designated area. In addition, the Chaumont F.D. on paper, also provides fire protection services to the Village.

In reality, the two departments are heavily dependent on one other to provide fire protection services to the entire community. The majority of calls for service, whether in the Village or TOV, involve both companies, since each has an active roster of approximately 15 firefighters and not all are available for every call. Typically in a year, according to the Three Mile Bay Fire Chief, the two companies independently handle 5-10 calls each for motor vehicle accidents where there are no injuries, and they also do some other "small stuff" independently. However, on the vast majority of calls,

listed below, they respond together, regardless of the location within the Town. The chief estimates calls for service on which they jointly respond each year as follows:

- 40-50 fire-related calls (1-2 are structure fires)
- 200-250 ambulance calls (although Three Mile Bay operates the community's only ambulance, Chaumont has a first responder vehicle and assists on these same calls)
- 0-6 ice rescue / water rescues
- 2-3 mutual aid responses to communities in 15-20 mile radius, when there is a fire

Based on interviews, CGR finds that map that officially divides the Lyme Fire Protection District for its TOV into two service areas has little meaning, since both companies respond to the entire Town, not just for service calls but also for ambulance calls.

Fire protection and ambulance services in the community are currently funded as follows:

- \$154,000 – paid by TOV taxpayers via the Lyme Fire Protection special district tax levied by the Town
 - \$77,000 is paid by the Town to Three Mile Bay F.D.
 - \$77,000 is paid by the Town to the Chaumont F.D.
- \$15,000 – paid by Village taxpayers as part of their Village taxes, with payment made by the Village directly to the Chaumont F.D.
- \$35,000 – for ambulance service is paid by all Town taxpayers as part of their Townwide tax
 - The Town pays this entire amount to the Three Mile Bay F.D.
- \$6,000 – for fuel is paid by all town taxpayers as part of their Townwide tax
 - The Town gives \$3,000 to each fire company

Code Enforcement

Both the Village and Town have adopted the NYS Building Code and both have part-time code enforcement officers. In the Village, the Zoning Board of Appeals looks at use variances and area variances (e.g., setbacks). The Village Zoning Board meets only on an as-needed basis, usually 3-4 times per year. The Village Planning Board does site plan review. The Town has both a Planning and a Zoning Board, but one elected official observed to CGR, “the Zoning Board in the Town is more like the Planning Board in the Village.”

The Village code enforcement officer is responsible for 15-22 building permits a year, and handles 5-10 complaints a year. He does code enforcement work only when called

to the Village. In addition, he does 40-50 fire inspections a year per the Village code. The Village currently budgets \$4,000 a year for his services.

The Town's code enforcement officer is responsible for zoning permits, and since January 2011, also for building permits, which formerly were handled by Jefferson County. He estimates the Town has about 90-100 zoning permits a year, and about 80 building permits. He also handles fire inspections for the Town. He works two mornings a week from 7 a.m. – noon in the Town, then is out on inspection the rest of the day. The Town budgets about \$12,400 for his services.

Recreation

The Village currently budgets \$18,000 annually for recreational programs at the Chaumont Beach and then nearby tennis and basketballs courts. The Town budgets about \$23,000 annually for its summer recreational program and Teen Center. The municipalities work closely to ensure equitable payment for any overlapping recreational services that are provided by personnel serving both municipalities.

Court

The Village does not have a court, and the Town provides court services Townwide. Thus, there are no shared service / consolidation options that will be considered by the Committee for this service.

Street Lighting

Street lighting is a contractual expense in both the Village and Town. The current cost of street lighting in the Village, which is supplied by National Grid, is \$12,500, a cost which currently equates to about \$1.03 per \$1,000 taxable assessed valuation for a Village taxpayer.

The only portion of the TOV that has street lighting is the hamlet of Three Mile Bay. Taxpayers in the hamlet pay a special district tax of \$1.68 per \$1,000 taxable assessed valuation for street lighting.

Special Contributions

Both the Village and Town make special contributions annually, as follows:

Chaumont currently budgets annually:

- \$2,500 to the Library
- \$150 to the Garden Club
- \$150 to the Lyme Light

The Town currently budgets the following annually, with the Library cost paid by TOV taxpayers and the remaining costs listed paid by taxpayers Townwide:

- \$11,250 to the Library
- \$640 to the Heritage Center (plus budgets \$500 for contractual services)
- \$4,100 to the Lyme Foundation
- \$3,100 to the Lyme Garden Club
- \$1,000 to the Veterans Service

In Part Two of this report, the Committee presents options for the future, based on our examination of how services are currently provided in the Village and Town.

PART TWO: OPTIONS FOR THE FUTURE

Special Considerations in Developing Options for the Future

Outside of weighing options to be considered for Village dissolution, there were two special considerations that the Study Committee took into account in developing options for the future. The first was whether there are opportunities for additional service sharing. The second was to quantify recent operational changes that are not reflected in the Village 2011-12 budget and are not due to a potential Village dissolution, but which would still become part of our projected single Town model.

Committee Identified No Significant Opportunities for Additional Service Sharing

The Village and Town's history of working cooperatively means that major steps have already been taken in the area of service consolidation and service sharing. We point out:

- Assessment, court, public health, economic opportunity, and cemetery services are only provided by the Town. The Town also operates the transfer station.
- The Town is responsible for determining the level of police service in the community and hiring police personnel. The Village contributes a budgeted amount directly for personnel, but does not oversee police services or staff.
- In discussions about potential Village dissolution, Village and Town officials agreed that the Village does not need to separately provide funds for animal control.²¹
- Service sharing has already occurred in key areas. Examples include co-locating operations in the Town's municipal building, having the Town highway superintendent supervise Village DPW staff, and equitably sharing the cost of recreation personnel when they are serving both the Village and Town. In addition, the two municipalities' Planning Boards have recently jointly completed a draft of a new community comprehensive plan.
- Two significant services – sewer and refuse/recycling pickup – are only provided by the Village.

²¹ For purposes of this study, the \$600 Village budgeted cost for animal control will be considered eliminated under the one-government model.

The Study Committee identified only one area for potential service sharing. We suggest exploring whether to have one community planning board and also a single zoning board. Savings to the community would be minimal (\$1,670) but merging boards could result in other benefits for the community.

Operational Changes Impacting the Village – That, Due to Timing, Are Not Reflected in Current Budget

The major operational changes that occurred are summarized below.^{22, 23}

Outsourcing of Refuse Pickup Service

During 2011 the Village garbage truck failed and couldn't be repaired. The Village borrowed a truck from a neighboring community for a short period, then arranged to outsource the garbage pickup (recycling remains a Village responsibility).

- *2011-12 budgeted cost, excluding tipping fees:* \$ 18,220
- *Estimated increase as result of outsourcing:* \$ 780
 - Savings in Village personnel costs: \$ 8,500
 - Added cost for contractor: \$13,000
 - Savings other contractual (e.g., fuel, repairs) : \$ 3,720

Note: Effective with its 2012 budget the Town instituted a change in how it bills for use of its transfer station, making it a Townwide charge in the Town budget. As a result, the \$12,280 annual tipping fee cost for use of the transfer station will not appear in Village budgets, beginning in 2012-13.

Outsourcing of Sewer Service

In fall 2011 the Village's fulltime DPW employee overseeing the wastewater treatment plant and sewer system left and the Village outsourced this service to DANC.

- *2011-12 budgeted expenditures:* \$172,700
- *Estimated savings as result of outsourcing:* \$ 6,000
 - Elimination of municipal association dues \$ 2,000
 - Source of supply: reduction in expenses for Village \$ 7,000
 - Source of supply: increase in contractual expense \$ 5,000
 - Distribution: personnel cost reduction for Village \$ 16,000
 - Distribution: increased contractual expenses \$ 14,000

²² Does not include Village contributions to Social Security/Medicare

²³ The major operational changes included the departure of a fulltime DPW employee primarily overseeing sewer. As a result the Village hired a part-time laborer,

Purchase of Digital Radio Read Equipment

As described earlier (see *Village Water System Fiscal Status*) the Village, in late 2011, purchased \$60,000 worth of new water meters and readers. Annual payment (through 2021) on the principal for this debt is \$6,000. Water debt service is built into water charges billed on user water bills, but is not separately itemized as debt service.

Participation in the NYS Retirement System

Until very recently, the Village had not been part of the NYS retirement system. In February 2012, the Village Clerk-Treasurer, and both DPW employees were given the opportunity to join the system. All opted to participate. As of spring 2012, the Village had not received its first bill for the employer share of retirement costs.

Note: The Study Committee, as part of options outlined in the next section, calculates estimates of annual retirement costs for the Village based on the state's applicable rate.²⁴ Annual retirement costs for the Village's 2 fulltime and 1 part-time employee are estimated by CGR at about \$16,000. This total is well within the amount set aside by the Village in its current fiscal year to cover retirement costs for employees.

Draft Recommended Options If the Village Dissolves

Based on the current budgets, the Study Committee preliminarily identified its recommended options if the Village dissolves. At the same time, the Committee emphasizes that our selections are intentionally listed as draft recommendations because we are very interested in receiving feedback from the community. We urge you to attend the May 1 public forum at 7 p.m. at the Chaumont Fire Hall to give us your feedback. You can also go to our project website (www.cgr.org/chaumont) and submit a comment via email.

Important Notes about Recommended Options***Special Districts for Village Water, Sewer, Refuse and Street Lighting, Plus Lyme Fire Protection District Will Expand to Include Chaumont***

Special districts are not a level of government, but instead a mechanism for allocating taxes for specified services. If the Village dissolves, all Village water and sewer service costs will be paid for by users within newly formed water and sewer districts in the Town of Lyme. The Chaumont Water District would, for budget purposes, be known as Town Water District #6 and the sewer district would be the Chaumont Sewer District.

²⁴ The employer contribution rate for employees in NYS Retirement ERS Tier V for the state's current fiscal year, which began April 1, 2012, is 18.9% of total salary/wages.

The Town has a Water Board, but the Town Board would serve as the board for the sewer district.

Village garbage and refuse expenses will be included in a new special refuse district and the costs of this service will be the responsibility of taxpayers whose properties are in Chaumont. The Town Board will be the board for the Chaumont Refuse District.

Village street lighting expenses will be included in a special street lighting district and the costs of street lighting will be the responsibility of taxpayers in Chaumont. The Town Board will be the board for the Chaumont Lighting District.

Under state law, the Town would be responsible for providing fire protection within Chaumont if the Village dissolves. As a result, the Lyme Fire Protection District would expand to include the Village, and costs for fire protection services would then become uniform Townwide.

About Committee's Estimates of Cost Savings and Cost Increases

The estimates of cost savings and cost increases that the Study Committee provides below are by functional area, but often cost shifts (who pays) are involved. The Committee addresses cost shifts under the tax projections section, which appear later in this report.

About Recommendations for Personnel Transfers

If the Village dissolves, the Town is not obligated to hire Village employees but the Committee assumes, as has been the case for other dissolutions in New York, that openings in the Town would be offered to current Village fulltime employees, although not necessarily at the same title or rate of pay as they currently receive. The Committee notes that other options (e.g., transferring Village administrative functions to the Town on a part-time basis; eliminating the Village administrative position; transferring the fulltime DPW employee to a new Lyme Water Department that would have to be created by the Town) were all discussed but were not selected as preferred options.

The Committee's Draft Recommended Options if the Village dissolves are:

General Government

- ❖ Eliminate Village Mayor and Board positions
Save salary and associated Social Security/Medicare costs
Estimated cost savings: \$12,918
- ❖ Eliminate Village election costs
Estimated cost savings: \$300
- ❖ Eliminate Village municipal dues to NY Conference of Mayors
Estimated cost savings: \$800
- ❖ Eliminate Village attorney contractual expenses

Estimated cost savings: \$5,000

Note: next option has two parts:

- ❖ *Part 1:* Have Village Clerk-Treasurer join the Town staff fulltime as assistant to the supervisor, and pay for clerk duties²⁵ at a level not to exceed the salary paid for clerk duties performed by the Town Clerk.

There are savings from reductions in this position's Village salary/Social Security/Medicare costs, but the overall cost of municipally provided healthcare coverage is higher in the Town than in the Village.

Estimated cost increase: \$ 2,685

- ❖ *Part 2:* Eliminate Town's budgeted second deputy Town Clerk position Save wages and associated Social Security/Medicare costs
Estimated cost savings: \$2,150

Estimated net cost increase: \$535

Animal Control

- ❖ Eliminate Village animal control costs.

Town budgets \$500 for this service, which Committee finds adequate for entire Town.

Estimated cost savings: \$600

DPW/Highway

Note: this option has two parts:

- ❖ *Part 1:* Village fulltime DPW employee transfers to Town and spends estimated 7% of time on recycling/brush duties; 43% of time on other public works/highway duties, and remaining 50% for Chaumont Water District.

The estimate below addresses only other public works/highway costs for transferring this employee, because recycling/brush and water duties are covered separately under refuse and water. The increased cost is due to employee receiving healthcare and pay as a Town union employee.

Estimated cost increase: \$9,545

²⁵ Excludes water and sewer billing duties, which will be covered separately

- ❖ *Part 2:* Village part-time DPW laborer position is eliminated.

Laborer is hired by the Town on an hourly basis to assist with recycling and brush (costs for this service are accounted for under refuse). Otherwise laborer works for the Town Highway Department only on an as-needed basis, a cost the Committee finds can be absorbed in the current Town budget.

Savings estimate is based on estimate of saved wages, Social Security/Medicare and retirement costs.

Estimated cost savings: \$20,250

Estimated net cost savings: \$10,705

Code Enforcement / Planning / Zoning

Note: this option has two parts:

- ❖ *Part 1:* Have one Townwide code enforcement officer

For taking on additional duties, pay position 50% of current amount budgeted by Village for code enforcement salary/Social Security/Medicare. Also, factor in additional Town retirement cost on amount of pay increase.

Estimated cost savings: \$1,900

- ❖ *Part 2:* Have a single Planning Board and a single Zoning Board

Estimated cost savings: \$1,670

Estimated net cost savings: \$3,570

Recreation

- ❖ Have Town assume responsibility for Village recreational programs at Chaumont Beach and nearby tennis and basketball courts.

No change in overall costs

Special Contributions by the Village

- ❖ Add the cost of the Village contribution (\$2,500 annually) to the Library to what the Town-outside-Village taxpayers now contribute. Eliminate the Village contributions of \$150 each to the Garden Club and Lyme Light.

Estimated cost savings: \$300

Garbage & Refuse

- ❖ Create a special refuse district to provide Chaumont residents the garbage, brush and recycling pickup services they currently receive, with Chaumont taxpayers charged for the cost of this service.

Based on how the service is currently provided (i.e., garbage pickup by an outside contractor; recycling and brush pickup by municipal employees), the cost of the service would increase by just over \$1,000 if provided by the Town. The increase is associated with the Town being required, under terms of a collective bargaining agreement, to provide health care to Highway Department staff. Only the portion of the healthcare cost associated with time spent on refuse would be allocated to the special refuse district.

Estimated cost increase: \$1,030

Street Lighting

- ❖ Create a special street lighting district in Chaumont.
No change in cost

Fire & Emergency Response

Note: this option has two parts:

- ❖ *Part 1:* Town expands Fire Protection District to include Chaumont, and taxpayers Townwide are billed for fire protection services as a special district tax. Three Mile Bay and Chaumont Fire Departments receive the same amount that they now receive (\$77,000 each).
- ❖ *Part 2:* Emergency response costs remain part of the Town general budget. Thus, ambulance costs for Three Mile Bay remain \$35,000 and fuel costs for the fire departments of \$3,000 each are unchanged. However, the amount currently paid directly by the Village to the Chaumont F.D. (\$15,000) is reallocated as a First Responder Townwide cost since the department also responds with a designated vehicle whenever the Three Mile Bay F.D. ambulance is called for service anywhere in Lyme.

No change in total amount expended community-wide on fire protection and emergency response services

About Fees for Water Service

As noted above, the Village fulltime DPW employee will transfer to the Town and continue to spend 50% of time on Chaumont water duties, and his services will continue to be paid by Village residents via their water bills.

Since he would be covered by the Town union contract, this employee would have healthcare coverage and wages per union contract, resulting in an increase to current cost for water service.

Estimated cost increase: \$10,575

Water users will pay for water service expenses as they currently do, through user fees billed every two months. Table 17 shows, if the Village dissolves, anticipated water expenditures and revenues.

Table 17

Projected Water Expenditures for Water Districts		
	Town Water Districts #1-5	Projected Chaumont Water District
Expenditures	\$174,576	\$169,698
Revenue	\$174,576	\$150,279
To be raised by User Fees	\$0	\$19,419

Source: CGR calculation

As Table 17 shows, anticipated revenues would cover only 88% of projected expenditures if water rates in Chaumont remained as they are today. Thus, if Village dissolution occurs, Chaumont property owners should expect to see some increase in their water bills. This increase, as will be shown later, would be more than offset by the savings Village residents would see in their tax bills.

Note: If the Village does not dissolve, water rates for Chaumont residents likely will still increase somewhat (see *Part One: Village Water System Fiscal Status*). The Study Committee points out that questions about the need to build a larger water fund balance or determine future capital improvement costs for the system fall outside the scope of this study. However, answers to these questions would also impact future water rates, with or without dissolution.

About Fees for Sewer Service

The Study Committee projects, as shown in Table 18, that Chaumont Sewer District revenues would exceed expenditures by about \$6,700 if sewer rates remained at current rates following Village dissolution. However, this assumes the same level of appropriation from the sewer fund as occurred in 2011-12 (\$17,000 was appropriated) and use of a \$1,000 contingency fund, which also occurred in the current budget year. In addition, Village officials are aware of the need to continue to build the sewer fund²⁶ to meet future capital improvement needs of the sewer system.²⁷ For all of these reasons the system is not self-supporting. As a result, sewer rates can be expected to go up with or without dissolution, according to the Village board.

Table 18

Projected Sewer Expenditures for Chaumont Sewer District	
	Chaumont Sewer District
Expenditures	\$165,985
Revenue	\$172,700
Projected amount of revenue that would exceed expenditures	\$6,715

Source: CGR calculation

Property Tax Impact Projections

Property tax rates in the Village and Town will be affected if the dissolution options identified by the Committee are implemented. Operational changes that were outlined at the beginning of Part Two will also impact New Town tax projections, since the changes occurred during the fiscal year²⁸ that serves as the baseline for comparison purposes. In addition, there are other factors that impact the Committee's New Town tax impact projections, as explained below. To provide a common understanding of key terms used throughout the remainder of Part Two, see Table 19.

²⁶ The Village sewer fund balance was about \$29,000, as of May 31, 2011

²⁷ Costs of future capital improvements have not been determined

²⁸ Village 2011-12 and Town 2012 budgets

Table 19

Term	Definition
Tax Levy	The amount of money raised by a specific government through taxes. For local governments, this means property taxes.
Taxable Assessed Valuation (TAV)	The size of the tax base from which a government raises property tax dollars. Can be listed by individual property (TAV per \$1,000) or by size of the total tax base in a specific community.
Tax Rate	The amount a taxpayer would be 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 TAV.
Town vs. Town-Outside-Village (TOV)	The Town incorporates all properties (including the Village), while the TOV consists only of the properties outside of the Village.
CETC	Citizen Empowerment Tax Credit annual incentive from New York State for consolidating governments (but not for shared services).
New Town	For the purposes of the report, distinguishes between the current Town (TOV and the Village of Chaumont) and the new combined (one-government) entity if the Village dissolved.
Cost Savings	Money saved due to reducing expenses.
Cost Shift	Expenses remain, but who pays the expenses changes.
Fund Balance	The net assets of governmental funds calculated on a budgetary basis, calculated based on all previous years' surpluses and/or deficits. Fund balance is of two basic types: <i>reserved</i> for specific purposes, or <i>unreserved</i> and therefore available to be used within the governmental fund.
Special Taxing District	Taxes that are applied to a sub-geographic area for specialized or enhanced services provided. For example, street lighting, refuse, fire protection. These districts are a taxing mechanism (a way to collect taxes) and are not a new governing body.

Citizen Empowerment Tax Credit (CETC): NYS Incentive When Two Local Governments Consolidate

Current state legislation provides a Citizen Empowerment Tax Credit (CETC) to municipalities as an incentive when two local governments consolidate. This tax credit is written in state law as an annual appropriation, based on a prescribed formula of 15% of the combined property tax levy when the local governments consolidate. The CETC is not guaranteed, since it is subject to annual appropriations in the state budget process, just like every other annual state revenue source (for example, CHIPS highway funding). It has clearly been an important public policy objective of the Governor and State Legislature for the past 5 years to support consolidation initiatives by funding the CETC (and its predecessor programs) each year in the annual state budget, and it is reasonable to project that such funding will continue in future years. However, to

account for the potential that the CETC could be eliminated in future years, the tax rate projections are shown both with, and without the CETC.

If the Village of Chaumont dissolves, the Village effectively consolidates with the Town. Thus, the New Town would qualify for the annual CETC funding which, based on current budget figures, would be \$ 30,757 or a \$0.28 tax reduction per \$1,000 of assessed value for each property in the Town (including the former Village and the former TOV).²⁹

Table 20

Calculation Citizen Empowerment Tax Credit (CETC)	
Village Tax Levy (2011-12)	\$115,450
Town Tax Levy (2012)	\$89,599
Combined	\$205,049
15% of Combined	\$30,757
CETC Rate / \$1,000	\$0.28

Loss of Gross Utilities Receipt Tax Revenue

The Village budgets \$5,000 in utilities gross receipt tax revenue. If the Village dissolves, the Town, under current state law, is not eligible to receive this revenue.

Impact of Cost Shifts

There are many areas where cost shifts would affect taxpayers in the community if the Village dissolved. Two examples will serve to illustrate this point: fire protection services and library contributions.

Fire Protection Services

The cost of providing fire protection services to the community, as explained in Part One of this report, has been largely borne by taxpayers in the TOV. By expanding the Lyme Fire Protection District, taxpayers across the community will experience cost shifts, as illustrated by Table 21. At the same time, the table also shows that costs for fuel for the fire departments and for ambulance service in the community, because they have been billed as part of the Townwide tax rate, will not change. In addition, the table illustrates the impact of the Study Committee’s recommendation to incorporate the Village’s current \$15,000 contribution for fire protection services as a Townwide emergency response cost.

²⁹ By law, a minimum of 70% of CETC must be applied as a tax reduction. For the purposes of this study it is assumed that 100% of CETC is applied as tax reduction.

Table 21

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
Current Fire & Emergency Response combined	\$1.60/\$1,000	\$1.90/\$1,000
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	
Fire & Emergency Response combined	\$1.87/\$1,000	

Source: CGR calculation

Contributions to the Library

If the current Library contributions from Chaumont and the TOV remain constant but become Townwide expenditures, the total contribution would equate to a tax of \$0.12 per \$1,000 for taxpayers across the entire Town. Table 22 shows what’s involved in the cost shifts that would occur if the Village dissolved.

Table 22

Impact of Transferring Village Library Contribution Townwide			
Recipient	Village 2011-12 Contribution	Village Tax Rate 2011-12	Projected Townwide Tax Rate
Library	\$2,500	\$.21/\$1,000	\$.02/\$1,000
Impact of Transferring TOV Library Contribution Townwide			
Recipient	TOV 2012 Contribution	TOV 2012 Tax Rate	Projected Townwide Tax Rate
Library	\$11,248	\$.11/\$1,000	\$.10/\$1,000

New Town Property Tax Rate Projections

To calculate the property tax rate impact based on the cost savings / cost increases outlined in Table 23 below, a detailed budget crosswalk was built that shows current Town and Village costs; what costs would be saved; what costs would increase; and what costs would be transferred to the New Town budget from the former Village budget. The detailed budget crosswalk is available at www.cgr.org/chaumont.

The cost savings and cost increases identified in the budget crosswalk that would impact the New Town resulted in calculation of a new derived tax levy. Table 23 is a summary of Expense and Revenue changes previously outlined in Part Two of this report.

Table 23

Summary of Village Operational Changes and Village Dissolution Impact on Expenditures and Revenues	
Operational Changes - Village FY 2011-12	
Expenditures - Village	
Sewer Municipal Association Dues	-\$2,000
DPW Staffing Reallocation	\$16,000
Sewer Operational Changes (Outsourcing to DANC)	-\$5,000
Refuse Operational Changes (Outsourcing garbage pickup)	-\$11,500
Employee Retirement Costs (New benefit - annual cost estimate)	\$16,070
Water Debt Increase (Purchase of radio read equipment)	\$6,000
Net Increase due to Operational Changes	\$19,570
Impact of Dissolving the Village	
Expenditures	
Elimination of Mayor & Legislative Board	-\$12,918
Elimination of Village municipal dues	-\$800
Elimination of Village attorney and election costs	-\$5,300
Elimination of Village animal control costs	-\$600
Reduction in community code enforcement expenses	-\$1,900
Elimination of Village Planning & Zoning Boards	-\$1,670
Administrative personnel changes	\$535
DPW FT Employee transfer to Town (Cost Increase, part to special districts ¹)	\$21,150
DPW PT Employee highway position eliminated ²	-\$20,250
Revenue³	
Loss of Utilities Gross Receipts Tax	-\$5,000
Net Savings due to Dissolution	\$16,753
Additional Revenue - CETC Incentive from NYS ⁴	\$30,757
Net Savings due to Dissolution and CETC	\$47,510
TOTAL Savings due to Dissolution, CETC, and Village Operational Changes	\$27,940

1. \$10,575 of increase is budgeted to Chaumont Water District, \$1,030 is budgeted to Chaumont Refuse, and remaining \$9,545 is budgeted to Highway.

2. Refuse duties /costs of PT DPW employee are unchanged and do not appear in table.

3. Assumes appropriated fund balances are applied as in current year budgets.

4. For purpose of study, 100% of CETC will be shown as applied to reduce property taxes.

Using the information shown in Table 23, the Committee projected tax rates for the New Town – broken down by former Village and former TOV. The projected tax rates, shown in Table 24, are shown with and without the impact of the state's consolidation incentive (CETC). The table assumes fund balances at the same level as in the Town 2012 budget.

Note: The projections do not take into account any changes in water or sewer charges billed as user fees every two months. (See information accompanying Tables 17 and 18 for more information.)

Table 24

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

Source: CGR calculated projection

*Townwide rate assumes continued applicatoin of \$375,000 appropriated fund balances. Without applied fund balances, Townwide tax rate would be \$4.80/\$1,000.

**TOV residents living in the Three Mile Bay Lighting District will continue to pay an additional \$1.68/\$1,000 for street lighting service.

As shown on Table 25 on the following page, Chaumont residents would see a 46% drop in their tax rate without the state consolidation incentive (CETC), and a 49% drop with it. TOV residents would see a 20% increase in their tax rate without the incentive and an 8% increase with CETC.

Table 25

Summary of Projected of Tax Rates for New Town (Compared to Current) per \$1,000 Assessed Value		
	Former Village	Former TOV
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>

*TOV residents living in the Three Mile Bay Lighting District also pay an additional \$1.68/\$1,000 for street lighting service.

Current and Projected Tax Impact Shown for Property Assessed for \$50,000

Table 26 shows what the current tax bill is for a taxpayer in the Village or TOV with a property assessed at \$50,000. Table 27 shows the impact post dissolution for the same taxpayers, based on current budgets. The tables below exclude county and school taxes. They also exclude water and sewer charges billed separately to residents.

Table 26

Summary of Current Tax Bill for Village and TOV on Property Assessed at \$50,000 FY 2012		
	Village	TOV
Townwide	\$40	\$40
Townwide General (A)	\$13	\$13
Townwide Highway (DA)	\$27	\$27
Village ²	\$476	-
Lyme Fire Protection	-	\$77
Total	\$516	\$117

Source: Jefferson County Real Property Office

*TOV residents living in the Three Mile Bay Lighting District also pay an additional \$84 for street lighting service.

Table 27

Summary of Projected Tax Bill for New Town on Property Assessed at \$50,000		
	Former Village	Former TOV
Townwide*	\$72	\$72
Chaumont Street Lighting District	\$52	-
Chaumont Refuse District	\$86	-
Lyme Fire Protection	\$68	\$68
Total (without CETC)**	\$278	\$140
Impact of CETC	-\$14	-\$14
TOTAL (with CETC)**	\$264	\$127

*TOV residents living in the Three Mile Bay Lighting District also pay an additional \$84 for street lighting service.