

Draft Dissolution Plan of the Village of Chaumont

By the Chaumont Dissolution Study Committee

JUNE 20, 2012

This document sets forth, in detail, the Draft Dissolution Plan of the Village of Chaumont as developed by the Chaumont Dissolution Study Committee. Following submission of the Plan to the Village Board, it will be up to the Board to decide whether to adopt the Dissolution Plan to present to Village voters. If the Board decides to do so, the question of dissolution would be put before voters on November 6, 2012. If a proposition is put forward and is approved by a majority of Village voters, the Village of Chaumont would dissolve as of December 31, 2013.

The Study Committee believes this Dissolution Plan is consistent with the goals of the Town of Lyme, since it was developed and approved by a joint Village/Town Committee and incorporates Committee recommendations endorsed by the Town Board.

OVERVIEW

1. The local government entity to be dissolved shall be the Village of Chaumont, New York.
2. The territorial boundaries of the Village of Chaumont are as shown in Appendix D of the Study Committee's Draft Report, entitled "What Exists and Options for the Future."¹ The Village of Chaumont is located entirely within the Town of Lyme, which is in Jefferson County, New York.
3. The type of entity is a village as defined in New York Village Law.

FISCAL ESTIMATE OF THE COST OF DISSOLUTION

4. The fiscal estimate of the cost of the dissolution is estimated to be approximately \$75,000. This includes the following cost components:

- Consultant fees to assist the Village in preparing the Plan and related documents and processes: \$45,000 (funded primarily with a New York State Local Government Efficiency grant)
- Legal fees to assist the Village researching legal issues, including transfer of the Village's contract with the Development Authority of the North Country (DANC) to the Town. The contract, which extends through July 2016, outsources responsibility for Village sewer facility operation and maintenance to DANC. Estimate for all legal services: \$22,000
- Miscellaneous advertisement fees, public referendum fees, etc.: \$8,000

¹ The Draft Report and Appendix are available on the Study Committee website (www.cgr.org/chaumont). See the "Documents" page on the site.

A complete fiscal and tax impact analysis of dissolution is presented in Part Two of the Study Committee's Draft Report.

TRANSFER OR ELIMINATION OF VILLAGE EMPLOYEES

5. The plan for the transfer or elimination of the current employees of the Village is shown below. All current Village employee positions will be eliminated. The Town will assume responsibility for the work provided by current Village employees as follows:

- The Mayor and Village Board positions will be eliminated. All associated personnel expenses will be saved since the Town will assume legislative responsibility for the former Village with no additional pay for its Town Board members. The size of the Town Board will not change. *(Estimated savings: \$12,900)*
- The Village Clerk-Treasurer will transfer to the Town as assistant to the supervisor, and the Town of Lyme will eliminate its second deputy Town Clerk position. The portion of the assistant to the supervisor's salary/benefits associated with Chaumont water billing will be charged to the Chaumont Water District (Lyme Water District #6); the portion for sewer billing duties will be charged to the Chaumont Sewer District. Salary/benefit estimates for water- and sewer-related duties are unchanged. Salary for the clerk duties is reduced, but higher benefit costs apply. *(Estimated cost increase: \$535).*
- The fulltime Village DPW employee will transfer to the Town Highway Department. The portion of salary/benefits associated with brush/recycling pickup will be charged to the Chaumont Refuse District; the portion associated with Chaumont water services will be charged to the Chaumont Water District (Lyme Water District #6); the portion associated with other highway department responsibilities will be charged the same as for Town Highway employees. Currently the position is covered by the Highway collective bargaining agreement, thus the Plan assumes union wage and health benefits apply. *(Estimated cost increase: \$21,150, with 50% absorbed by the Chaumont Water District and 5% by the Chaumont Refuse District. The remaining cost increase will be charged Townwide.)*
- The part-time Village DPW employee position will be eliminated. The cost of the brush/recycling pickup services provided by this position will remain and be charged to the Chaumont Refuse District. It will be a Town decision whom to hire or contract to do this work. *(Estimated savings: \$20,250).*
- The Village part-time code enforcement officer position will be eliminated. The Town's part-time code enforcement officer will become responsible for providing code enforcement services Townwide. For assuming additional responsibilities, the Town employee will receive increased compensation equal to 50% of the salary and benefits now budgeted for the Chaumont code enforcement officer position, plus the associated retirement benefit increase. *(Estimated savings: \$1,900)*
- The Village Planning and Zoning Board positions will be eliminated. *(Estimated savings: \$1,670)*

- Village recreation staff positions will become Town recreation staff positions. (*Cost unchanged*)

DISPOSITION OF PROPERTY OF THE VILLAGE & FUND BALANCES

6. All real property (improved or not improved) will become the property of the Town of Lyme. Water and sewer facilities will be assigned to the Chaumont water and sewer districts. The Town will take title to the Village real property with the understanding that the Town will honor all existing agreements or other arrangements between the Village and other users of Village property. Real property transferred to the Town will be done without consideration² and the Town will, at its option, prepare any and all deeds for the Village to execute prior to the date of dissolution.

- Village-owned real estate and real property are shown in the table below. The fair value is the current assessed value as provided by the Jefferson County Office of Real Property.

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

- The insured value of Village-owned equipment is \$29,870 and of vehicles is \$17,400³. the age of each asset is shown below:
 - 1985 – Tractor with brush hog and backhoe
 - 1998 – Ford Ranger
 - 1998 – Honda Trash Pump
 - 2001 – Ford F150
 - 2002 – Honda Generators (6)
 - 2002 – Push Mower

² Without consideration means a complete transfer of Village property to the Town without cost to the Town.

³ Insured value of Village equipment and vehicles is 2012 value

- 2002 – Trailer Mounted Generators
 - 2002 – Generators (2)
 - 2009 – Zero Turn Mower
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- Personal property owned by the Village at the time of dissolution will become the property of the Town. Personal property will mean and include office equipment, furniture, tools, parts inventory, and any other items commonly considered to be personal property.
 - The Village does not own its own municipal building. Village full- and part-time (non-seasonal) employees work at or from the Town Municipal Building.
 - The Village does not own the Chaumont Fire Hall or any fire apparatus. The fire hall and the fire equipment used to provide fire protection services to Chaumont residents are owned by the independent, nonprofit Chaumont Volunteer Fire Department.
 - The street light poles, conduits and fixtures in the Village are owned and operated by National Grid, for which the Village currently pays rental costs as part of its street light bill.
 - Village fund balances remaining upon Village dissolution will be transferred to the Town. The amounts that will actually transfer upon dissolution will be the amounts that are in each fund at the time dissolution takes effect. Amounts listed below provide information on status of fund balances when the Village fiscal year ended May 31, 2012. Funds that remain on the effective date of dissolution would transfer as follows:
 - The Village Sewer Fund will transfer to the Chaumont Sewer District fund and be managed by the Town. (As of 5/31/12, the fund total was \$12,224).
 - The Village Water Fund will transfer to the Chaumont Water District Fund (Lyme Water District #6) and be managed by the Town. (As of 5/31/12, the fund total was \$48,867).
 - The Village general fund will transfer to the Town. (As of 5/31/12, the fund total was \$46,681.)

VILLAGE LIABILITIES AND DEBTS

7. The Village liabilities and indebtedness are as follows:

- Liabilities. None are known at this time. There are no current lawsuits or proceedings against the Village.
- Indebtedness – As of 12/31/12, the Village had \$1.86 million in outstanding debt.
 - The principal outstanding for the sewer fund is \$1,768,000. This debt, for the wastewater treatment plant and sewer line system installation, is charged as a user fee on Chaumont sewer bills. The debt will continue to be repaid in the same

manner following dissolution, and will be a charge only for sewer users in the former Village. The debt will be paid off in 2032.

- The principal outstanding for the water fund is \$88,000. A total of \$34,000 of the debt is for repairs to the water tower, and this debt will be paid off in 2018. The remaining \$54,000 is for radio read equipment (digital meters and readers) purchased in late 2011, and this debt will be paid off in 2021. Water debt is charged on Chaumont water bills (though not separately itemized). Water debt will continue to be repaid in the same manner following dissolution, and will be charged only to water users in the former Village.

AGREEMENTS TO CARRY OUT DISSOLUTION

8. The Village and the Town currently have no agreements in order to carry out the dissolution. This Plan was developed following Town Board review and affirmation of the Committee's recommendations. The Committee anticipates that if dissolution of the Village is ultimately approved by Chaumont voters that the succeeding Town government will provide for and comply with the Plan set forth in this document. The Study Committee recognizes the Plan could be impacted by unforeseen circumstances occurring at the time of dissolution. Thus, this document is a plan, not a guarantee. However, both Town and Village representatives on the Committee endorse this Dissolution Plan, which was developed in good faith and with the input of all members of the Committee.

CONTINUATION OF VILLAGE FUNCTIONS OR SERVICES BY THE TOWN

9. Services formerly provided by the Village government will be provided as follows:

- Legislative services. Local government representation shall be provided by the Town Board.
- Administrative services. Clerical and administrative services formerly provided by the Village Clerk-Treasurer will be provided by the assistant to the Town supervisor and Town staff as determined by the Town. The Town will eliminate its second deputy Town Clerk position.
- Public works services (not including water and refuse services, which are addressed below). Street maintenance, snow plowing, park maintenance, mowing, grounds keeping, weed control, tennis court and beach maintenance, and related services provided by the former Village will be provided by the Town.
- Water. Services for Chaumont residents will be maintained and provided by the Town. The Town will create and establish by resolution a Special Improvement District to be known as the Chaumont Water District (Lyme water district #6) as provided by Article 12 and 12A of Town Law, and assume the responsibilities of the new Water District for water supply, and maintenance and repair of all existing water lines within Chaumont. The boundaries of the Water District will be the boundaries of the existing Village. Costs for the Water District will be met

by user fees. Existing Village water fund debt will be the responsibility of Water District users and be paid for through the user fees. Upon dissolution, current user fees are anticipated to cover about 88% of projected expenses. Several factors contribute to the projected shortfall, but the only one due to dissolution is that the employee providing water services will be a Town employee, eligible for union scale benefits. The associated cost increase is estimated at \$10,600, which is the 50% of the estimated cost increase described above in Part 5 for transfer of the fulltime Village DPW employee to the Town Highway Department.

- Sewer. Services for Village residents will be maintained. The Town will create and establish by resolution a Special Improvement District to be known as the Chaumont Sewer District as provided by Article 12 and 12A of Town Law. Operation and maintenance services for Village sewer facilities (e.g., wastewater treatment plant, wastewater collection system) will continue to be outsourced to the Development Authority of the North Country (DANC) under a contract extending through July 2016. Legal transfer of the contract will take effect upon dissolution. The boundaries of the Sewer District will be the boundaries of the existing Village. Costs for the Sewer District will be met by user fees. Existing Village sewer fund debt will become the responsibility of the newly formed Sewer District and be paid through user fees. Dissolution would have no significant impact on sewer expenses, since operation and maintenance is outsourced.
- Refuse. Garbage, brush and recycling services for the Village will be maintained. The Town will create and establish by resolution a Special Improvement District to be known as the Chaumont Refuse District as provided by Article 12 and 12A of Town Law. The Dissolution Plan anticipates that garbage pickup will continue to be outsourced under the current Village arrangement with a contractor and that the Town will be responsible for providing recycling and brush pickup. However, it will be up to the Town to determine the most cost-effective way to maintain refuse services for Chaumont residents. The boundaries of the Refuse District will be the boundaries of the existing Village, with costs billed as a separate district charge to Chaumont taxpayers on their annual Town tax bills. Due to the pro-rated cost of Town health insurance for staff providing refuse services, the estimated cost increase for this service is approximately \$1,000. This amount equates to the 5% of the estimated cost increase described above in Part 5 for transfer of the fulltime Village DPW employee to the Town Highway Department.
- Street lighting. Services for Village residents will be maintained. The Town will create and establish by resolution a Special Improvement District to be known as the Chaumont Street Lighting District as provided by Article 12 and 12A of Town Law. The Town will be responsible for providing street lighting services within the boundaries of the existing Village, with costs billed as a separate district charge to Chaumont taxpayers on their annual Town tax bills. There will be no change in cost as a result of dissolution.

- Code enforcement / planning / zoning. Code enforcement services provided by the former Village will be provided by the Town, and the Town Planning and Zoning Boards will provide the services provided by the former Village Planning and Zoning Boards. Estimated cost savings, as previously noted in Part 5 of this Plan, total \$3,570.
- Fire and EMS. There are a number of changes that will occur to ensure that fire and EMS services continue to be provided Townwide, and some aspects of both services that will continue unchanged. As a result, the amount expended community-wide on fire protection and emergency response services will not be affected by dissolution. The Plan components are as follows:
 - Fire. The former Village will be included in the Lyme Fire Protection District. The Town will contract with the Chaumont Volunteer Fire Department and the Three Mile Bay Fire Department to provide fire protection services Townwide. It will be up to the Town to determine the boundaries of their service areas. There will be no increase in the contracted amount due to dissolution.

All properties within the former Village that are required to be taxed for fire protection service will have a separate tax on their Town tax bill in accordance with current tax law, and the rate will be identical for all taxpayers in the Lyme Fire Protection District. The projected special district rate, based on 2012 fiscal year information, will be \$1.37 per \$1,000.

- EMS. The Three Mile Bay Fire Department will receive \$35,000 for providing ambulance service within Lyme. There will be no separate charge for taxpayers, since this service will be included in the Townwide tax.⁴

The Chaumont Fire Department will receive \$15,000 from the Town for First Responder service, and the department will respond with a designated vehicle when the Three Mile Bay Fire Department ambulance is called to a location anywhere in Lyme. There will be no separate charge for taxpayers, since this service will be included in the Townwide tax.⁵

- Fuel. Taxpayers will continue to pay for fuel costs for both departments (fire and EMS) as part of their Town tax bills. Dissolution will have no impact on the amount budgeted (currently \$5,000, with each department receiving 50%).

⁴ Ambulance service currently equates to \$0.31 per \$1,000 for taxpayers Townwide, and dissolution will have no impact on this rate.

⁵ First responder service, based on the 2012 fiscal year budgets, equates to \$0.13 per \$1,000 for taxpayers Townwide. The amount expended for First Responder service is equivalent to the amount budgeted by the Village in 2011-12 for the Chaumont F.D.

- Police. The Town will continue to be responsible for determining the level of police service in the community and for hiring police personnel. Dissolution will have no impact on the amount expended Townwide for police services.
- Recreation services provided by the Town, including the hiring of seasonal recreation staff, will become the responsibility of the Town. There will be no change in recreation costs as a result of dissolution.
- Library. The contribution to the Lyme Free Library by the former Village will become a Town contribution, with no reduction in the amount of the Town's contribution to the Library.
- Special contributions. Special contributions to the Garden Club and Lyme Light by the former Village will be eliminated.
- Municipal association dues paid by the former Village to the New York Conference of Mayors will be eliminated.
- Animal control. Funds budgeted by the former Village (currently \$600) to use for contracting for services, as needed, will be eliminated. The Town will be responsible for arranging for this service, whenever needed.
- Court, assessor, public health, economic opportunity, and cemetery services. These services, now provided 100% by the Town, will be unchanged.
- Village attorney. The contract for the Village attorney will be eliminated. The Town will be responsible for providing attorney services.
- Village elections. These services will be eliminated.

See Part Two of the Study Committee's Draft Report for the detailed fiscal impact of the Plan components described above in Section 9.

DISPOSITION OF VILLAGE ASSETS WHEN DISSOLUTION IS EFFECTIVE

10. The Village will dispose of those assets remaining on the effective date of the dissolution by turning them over to the Town to become Town assets. The Village knows of no liabilities at this time that would become the responsibility of the Town upon dissolution of the Village. The Village cannot project whether or not there may be uncollected taxes upon the date of dissolution; however, any uncollected taxes will have been turned over to the County per current practice.

VILLAGE LAWS AND ORDINANCES

11. In 1978 the Village of Chaumont adopted a new code book (the "Red Book") that listed all local laws, ordinances and resolutions in effect, and repealed all laws, ordinances and resolutions not in the code. The Red Book, a bound book, was updated periodically, with the last updates

occurring in 2004. Subsequently, new Village laws and ordinances were maintained in a special folder in the Village office.

The list below shows the impact of dissolution on codes in the Red Book, excluding any that were listed as repealed or superseded. Codes listed as NA (not applicable) will not be effective upon dissolution of the Village. All other codes listed, in accordance with GML Article 17-A §789, remain in effect for a period of two years following dissolution, as if the same had been duly adopted by the Town Board. They shall be enforced by the Town within the limits of the dissolved Village, except that the Town Board shall have the power at any time to amend or repeal such local laws, ordinances, rules or regulations in the manner as other local laws, ordinances, rules or regulations of the Town.

Key Definitions

- NA Village code is no longer applicable; is not enforced; has been superseded; or is irrelevant upon dissolution. These codes do not become part of Town law when dissolution takes effect.
- A Codes that should but be rewritten as Town laws, following Town review
- B Codes for which the Town currently has a similar law in effect. Provisions of the Village law may only need to be incorporated in existing Town law.

Impact of Dissolution on Laws and Ordinances Listed in the Village “Red Book” *(in the order in which they appear in the book)*

<u>KEY</u>	<u>DESCRIPTION OF CODE</u>
NA	Adoption of Village Code Book (Red Book)
A	Beaches – posting of hours of use and penalties
B	Bingo – licensing and restrictions (<i>see Town Law #2, 1958 regarding Bingo; Town Law #1, 1991, regarding games of chance</i>)
A	Curfew – addresses loitering, penalties
NA	Setting of building permit fee
NA	Defense / indemnification of Village officers / employees
B	Dogs – leash, barking requirements and penalties (<i>see Town Law #3, 2010, dog control</i>)

- NA Village ethics code
- NA Village Fire Department inspections
- B Flood Control (*see Town Law #2, 1989, which amended a 1987 law, regarding areas of special flood hazard; Town Law #2, 1993 regarding flood damage prevention*)
- B Village Refuse Disposal Ordinance (*see Town Law #2, 1973 regarding provisions on regulation of automobile junkyards*)
- A Gasoline/storage tank proximity to public buildings
- A Loitering by minors
- NA Use of manure regulations – including obtaining consent from Village Board of Health
- NA Village personnel vacation / sick leave policy
- NA Notifications to Village re: civil actions due to defects in highway bridge or culvert
- A Peddling and soliciting – license required
- A Sign and billboard regulations
- B Snowmobile regulations (*see Town Ordinance #3, 1970 on Operating Snowmobiles*)
- A Streets and sidewalks – excavations, maintenance, violations
- NA Village assessing unit and Board of Assessment Review abolished
- NA Delinquent Village taxes – sent to County for collection
- B Trailer and trailer camp ordinance (*see Town Law #1, 1997 amending the Town's zoning law in regard to recreational vehicles and community campgrounds*)
- A Speed limits on certain streets, seasonal all-night parking, speed limits in school zones
- NA Establishment of Village Department of Water, headed by Water Superintendent; meters for all water services to be furnished and installed by consumer

Impact of Dissolution on Village Laws Passed Since 2005

<u>YEAR</u>	<u>LAW</u>	<u>KEY</u>	<u>DESCRIPTION OF CODE</u>
2005	#1	A	Prohibiting the use of free standing, fuel burning equipment
2005	#2	B	Development of wireless communication facilities (<i>see Town Law #1, 2002 on same topic</i>)
2005	#3	NA	Annexation of property into the Village
2006	#1	A	Supplementary regulations for multi-family dwellings
2006	#2	A	Regulations for new construction in an historic district
2007	#1	A	Amendments to the Village land development code
2009	#1	A	Amendments to the Village land development code
2009	#2	B	Administration of NY uniform fire prevention and building code (<i>see Town Law #1, 1983</i>)
2011	#1	A	Traffic patterns in school zone neighborhoods
2011	#2	NA	Annexation of property into the Village
2011	#3	A	Chaumont property maintenance law

EFFECTIVE DISSOLUTION DATE

12. Should the Village dissolve, the dissolution will be effective December 31, 2013.

OFFICIAL PUBLIC HEARING

13. Should the Village Board endorse this Plan and set a referendum date⁶, the Village will hold an official public hearing at 7 p.m. on August 21, 2012 at the Chaumont Fire Hall.

OTHER MATTERS PERTINENT TO DISSOLUTION

14. Other matters – A) loss of specific revenue upon Village dissolution, and B) summary of the fiscal impact of dissolution.

⁶ The Village Board will receive the Committee’s Final Report (Study and Dissolution Plan) in early July 2012, and is scheduled to vote on whether to endorse the Dissolution Plan at a Village Board meeting to be held at 6 p.m. on July 17 at the Lyme Municipal Building.

A) Revenue Impact. Dissolution will result in the loss of the former Village’s Utilities Gross Receipts Tax revenue (currently \$5,000). Under NY law, towns are not eligible to receive this revenue. The Committee notes, however, that upon dissolution, Chaumont utility customers will no longer be charged this tax, which equates to approximately 2% - 4% of electric and phone bills.

B) Fiscal impact. The table below identifies how tax bills would have been affected in fiscal year 2012 had Village dissolution been in effect. It is important to note that upon dissolution, the combined single government would become eligible for a Citizen Empowerment Tax Credit (CETC). This is an annual incentive from NYS for consolidating governments. The incentive, which must be authorized by the State Legislature in each annual budget, is based on a formula (15% of the municipalities’ combined tax levies when they consolidate). The table shows the fiscal impact both with and without the CETC, and assumes 100% of the CETC is applied to reduce taxes for all Lyme taxpayers. The CETC, based on 2012 fiscal year budgets, equates to \$0.28 per \$1,000 for all taxpayers.

The table below excludes county and school taxes, since they are unaffected by dissolution. It also excludes water and sewer charges, since these charges are billed as user fees to Chaumont residents.⁷

Summary of Projected Tax Rates for Single Government (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>

*Town-outside-Village (TOV) residents served by the Three Mile Bay Lighting District pay an additional \$1.68/\$1,000 for street lighting service in the hamlet.

As shown in the table, Chaumont residents would see a 46% drop in their tax rate without the state consolidation incentive (CETC), and a 49% drop with it. Town-outside-Village (TOV) residents would see a 20% increase in their tax rate without the incentive and an 8% increase with CETC.

Note: Detailed fiscal information is available in Part Two of the Draft Report, available at www.cgr.org/chaumont.

⁷ See the Study Committee’s Draft Report, available at www.cgr.org/chaumont, for additional information on water and sewer services.