

## Comparison of Options

Full Consolidation of the Village and Town  
OR  
Creation of New City

*Prepared on behalf of the Village of Dansville and Town of  
North Dansville Dissolution/Co-Terminous Study  
Committee by the Center for Governmental Research, Inc.*

October 20, 2010



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## Tonight's Purpose

- Inform the discussion regarding choices for the future of the community of Dansville
- Communicate the preferences of the committee to the community
- Obtain feedback from the community on the options that have been presented
- Define the next steps in the process



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## T = TOV + V

- TOV = Town Outside of Village (7.4 sq. mi) – Pop. 852
- V = Village (2.4 sq. miles) Pop. 4,484
- T = Town = Both TOV and Village (9.8 sq. miles) Pop. 5,336

- Distinction is important because it impacts how costs are allocated and who receives services
  - 77% of Taxable Assessed Valuation (TAV) in Village
  - 23% of TAV in TOV



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## Decision Alternatives

- ▶ Alternative 1– Some functional shared services (efficiency) opportunities without full municipal merger
  
- ▶ Alternative 2 – Full merger (consolidation) of governments
  - Co-Terminus Town and Village
  - Dissolution of Village/Full Consolidation
    - Village dissolution or;
    - Village and town consolidate under GML 17-A into a town
  - Village and town become a city
  - Village becomes a city

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## Community Context

- 43% of combined annual budgets are personnel
- The Village represents 84% of the population in the Town and 80% of the combined expenses in the Town and Village governments
- Many services in the community are already combined
- Community generally satisfied with current services
- Many people in the community are frustrated with taxes and the cost of government

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## Further Context - Potential Cost Savings

- Continuum of alternatives without changing police
  - One end = Increase of \$40,000 (1.2% of total combined budgets)
  - Other end = Savings of \$210,000 (6.2% of total combined budgets)
- Range of impact with police alternatives
  - Increase of \$40,000 – Decrease of \$840,000
- Maximum savings requires significant personnel cuts

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### Alternative 2 Scenarios Reviewed by the Committee

- Co-Terminus Town and Village
- Dissolution of Village/Full Consolidation
  - Village and town consolidate under GML 17-A into a town; or
  - Village dissolution
- Village and town consolidate into a city
- Village becomes a city

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### General Reasons for Consolidation

- Would qualify for AIM incentive (\$370,000)
- Decision can be made by both TOV and Village voters
- Tax savings for Village residents
- Reduce layers of government
- May encourage economic development
- Would maintain representation on the County Board of Supervisors

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### General Reasons Against Consolidation

- No significant cost savings without significant cost cuts – primarily to personnel
- Would spread all costs across all taxpayers unless special districts were created. (Tax Shifts)
- Potential shift in power under one governing body

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### Unique issues for consolidation into a town

- Would require state legislature approval to create a police district.
- Faster process than city charter creation with local control of outcome (i.e. no state approval necessary)

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### Unique issues for consolidation into a new city

- Could allow for service and tax zones that would replicate current village and town differences
  - Minimize cost/tax shifts
- Would give city pre-emption rights for sales tax
- City has to be approved by act of State Legislature
  - Last approval in 1942

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### Unique city issues – Continued

- Could alienate relations with surrounding Towns
  - May be difficult to work through sales tax pre-emption
- Legal costs for transition may be “sunk” if charter is not approved by the State
- Will take time (minimum 12-18 months)
- Some costs may increase (Highway) even as others decrease (Courts)

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### Tax rate assumptions for consolidation into a either a town or a city

- Aggressive cost savings in personnel - \$210,000
- Cost of police protection levied on former Village tax payers modeled on Sheriff protection plan – Savings of \$183,000
  - Police District in Town Consolidation
  - Taxing “zone” in City Consolidation
- Village debt remains with Village tax payers (\$275,000)
- AIM – Increase in revenue of \$372,000



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### Unique assumptions for tax rates in town consolidation

- No Gross Utilities Receipts Tax - Loss of \$80,000
- Merged court – Savings of \$9,500



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### Unique Assumptions for City Tax Rates

- Addition of Sales Tax – Increase in revenue of up to \$800,000
- Maintain Gross Utilities Receipts Tax (\$80,000)
- Would be additional court cost savings due to State taking over court costs – Savings of \$43,000
- May be cost increases in highway to manage current roads in state network within new city limits



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## Tax Impact Summary

Annual Tax Rate Projections - Including AIM			
	Current	Consolidation into a Town	Consolidation into a City
Village	\$15.68	\$10.67	\$6.14
TOV	\$4.57	\$5.86	\$1.32
<i>Village Change from Current</i>		<i>-\$5.01</i>	<i>-\$9.54</i>
<i>TOV Change from Current</i>		<i>\$1.29</i>	<i>-\$3.24</i>

Tax rates presented as per thousand dollars of assessed valuation



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## Tax Impact Summary

Annual Tax Rate Projections - No AIM			
	Current	Consolidation into a Town	Consolidation into a City
Village	\$15.68	\$12.59	\$8.06
TOV	\$4.57	\$7.77	\$3.24
<i>Village Change from Current</i>		<i>-\$3.10</i>	<i>-\$7.63</i>
<i>TOV Change from Current</i>		<i>\$3.21</i>	<i>-\$1.33</i>

Tax rates presented as per thousand dollars of assessed valuation



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### Overarching considerations with either option

- Change in community identity
  - Consolidated community or city
- Change in power structure under single government
- Tax shifts
- Changing of the cost curve for future generations
- Savings projections are annual (I.e. ongoing)
- Decision making efficiency in one government
- Next logical step for community



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### Summary of Key Committee Conclusions

- Obtaining significant tax reductions will significantly influence current levels of service
- Some efficiencies can be achieved but they may only result in minimal cost savings
- City status is only option that potentially reduces taxes for all tax payers in the community
  - The way to achieve this is by assuming either pre-emption of sales tax or a more lucrative sales tax sharing agreement



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### T & V = Town Consolidation - Process

- Governed by GML 17-A, Sections 751-772
- Two methods to start process
  - Elector initiated (10%), or
  - Joint resolution of elected boards
- If elector driven, vote would be held prior to consolidation plan development
- If board driven, Village and Town governments would develop joint agreement (plan) and vote would take place after public hearings on the agreement
- Must be approved by voters in both entities



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### T & V = City Consolidation Process

- Would require developing a city charter
  - Volunteer charter commission
  - Outline form of government
    - Define representation on the County Board of Supervisors
- Voters in both Village and Town would have to approve the charter
- Charter would need approval from State Legislature and Governor



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## Next Steps

- Committee meets again next Wednesday to finalize it's recommendation (10/27/10 @ 5:30p)
- Committee will submit final report/recommendation to the Village and Town Boards for their review
- Village and Town boards must decide whether to follow-through with the committee's recommendation assuming action is necessary
- Depending on action, boards must initiate process for next steps

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## Community Feedback

- Questions/Comments
- Please visit the website at [www.cgr.org/dansville](http://www.cgr.org/dansville)
  - Submit an email
- Feel free to submit a feedback form

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