

**Presentation by the Study Committee  
to the Public Forum on 10/27/11**

Options for the Future for the Village of Painted  
Post and the Town of Erwin:  
Report to the Community

# Study Committee Members

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## ▶ **Committee members and affiliation:**

- ▶ Philip Roche – Committee Chair and Town resident
- ▶ Pat Alderson – Village resident
- ▶ Bill Hallinan – Village resident
- ▶ Michael McCaig – Village resident
- ▶ Joseph Reilly – Town planning board and Town resident
- ▶ Bill Scheidweiler – Deputy mayor and Village resident
- ▶ Charles Stebbins – Village resident
- ▶ Wes Strzegowski – Town boards and Town resident
- ▶ Bill Wood – Village resident
- ▶ *Ad hoc members: Mayor Roz Crozier, Supervisor Dave Erwin, Chelsea Robertson (Southern Tier Regional Planning)*

# Tonight's Agenda

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- ▶ Review of Study Objectives
- ▶ Key Process/Timeline Dates
- ▶ Key Findings and Options – Committee Report
- ▶ Next Steps
- ▶ Project website is <http://www.cgr.org/paintedpost/>

# Overall Study Objectives

1. Develop a report that gives options for addressing the serious fiscal challenges facing the Village
2. In particular, identify opportunities for cost savings and improved service between the Village and Town
3. Consider all options:
  - ▶ Shared services
  - ▶ Consolidation of certain functions
  - ▶ Full consolidation of the Village and Town if the Village were to dissolve

## Key Process/Timeline Dates (1)

- ▶ January 2011 – Project Started
- ▶ October 20, 2011 – Joint Boards presentation of draft Report
- ▶ October 27, 2011 – First Public Presentation of draft Report
- ▶ November 2011 - Second Public Presentation of draft Report
- ▶ By early December 2011 – Deliver Final Report the Boards
  
- ▶ IMPORTANT – THIS IS ONLY FIRST STEP of 3 STEPS – see next slide

## Key Process/Timeline Dates (2)

- ▶ Important Steps for Moving Forward
- ▶ Completing this report is only the first step
  - ▶ **Step 1** – deliver this completed report to the Boards
  - ▶ **Step 2** – the Boards have to decide whether or not to take any actions
    - ▶ Both the Village and Town Boards will have to vote on any shared services or consolidation of functions
    - ▶ The Village Board would have to approve proceeding with a dissolution vote unless it received a valid petition
  - ▶ **Step 3** – The Village cannot dissolve unless a majority of Village voters approve the dissolution at a referendum

# Options Decisions – Overview (1)

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- ▶ There were a handful of major option decisions the Committee had to address
- ▶ The choice of options depends on the strategy used:
  - ▶ shared services approach or the
  - ▶ functional consolidation approach or the
  - ▶ full consolidation through dissolution approach

# Options Decisions – Overview (2)

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- ▶ Key differences between the approaches:
  - ▶ **Shared services:** both governments perform a function but share people, facilities and/or equipment. Example – DPW sharing equipment and personnel. Two governments, two sets of employees.
  - ▶ **Functional consolidation:** One government provides the services for both. Example – Village DPW operations consolidated into the Town. Two governments but one set of employees and equipment.
  - ▶ **Full consolidation:** Would occur if the Village dissolves – i.e. there would be one government instead of two. One government and one set of employees and equipment.



## Options Decisions – Overview (3)

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- ▶ The Committee evaluated opportunities for shared services and functional consolidation that could be pursued both without and with Village dissolution
- ▶ For *shared services* and *functional consolidation*, implementation would be worked out between the two boards through inter-municipal agreements (IMA's)
- ▶ Under a *dissolution* scenario:
  - ▶ Village voters would have to approve the dissolution
  - ▶ After the dissolution vote, the two boards would work together during a transition period (usually 12-18 months) before the Village officially dissolved

# Options Decisions – Overview (4)

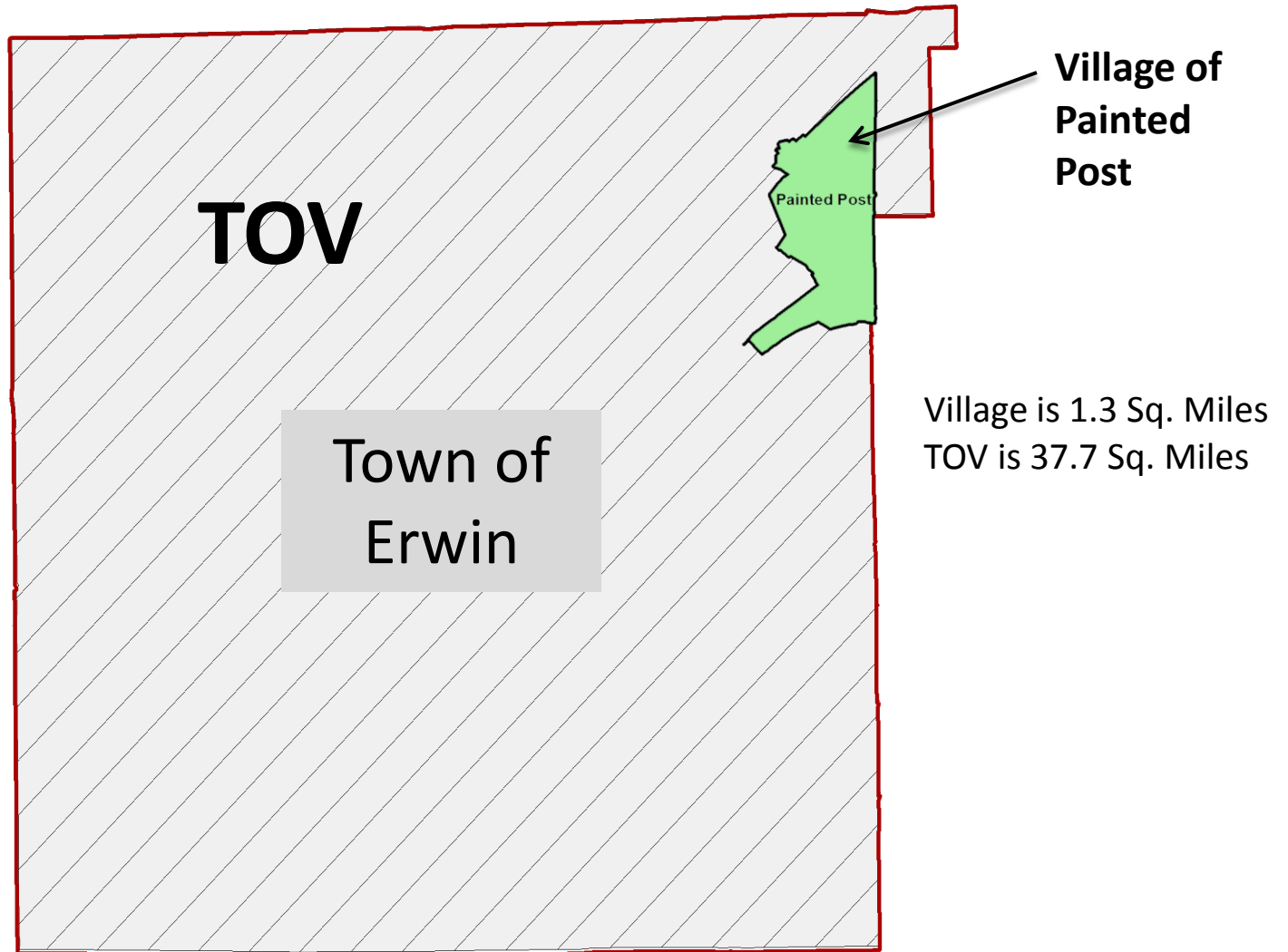
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- ▶ Important Data Tools Used by the Committee in developing recommendations:
  - ▶ Complete 2010/2011 budgets – put side-by-side to compare all operations
  - ▶ Full staffing charts to identify positions, costs and benefits – full costs
  - ▶ Interviews with department heads to understand operations
- ▶ Specific ideas for staffing efficiencies noted by the Committee came from ideas offered by department managers at the Village and Town. They are baseline minimum that can realistically be achieved

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# Committee Findings and Recommendations

# The Town, the Village and the Town-Outside-Village (TOV)



# Some Key Definitions

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- ▶ Total Assessed Value: the real value of each property estimated by the Town's assessor
- ▶ Tax Exempt Value: properties that are tax exempt for reasons set by federal, state and town law. Examples: religious institutions, government property, veterans exemptions
- ▶ Taxable Assessed Value (TAV): the value of all property that is taxed. It is the Total *minus* the Tax Exempt
- ▶ Tax Levy: the revenue that is a property tax needed to balance the budget
- ▶ Tax Rate = Tax Levy divided by TAV

# Some Key Comparisons – Village and Town (1)

| <b>Village and TOV Comparison - Area and Population</b> |               |                |              |
|---|---------------|----------------|--------------|
|   | Village       | TOV            | Total        |
| Area  | 1.3 Sq. Miles | 37.7 Sq. Miles | 39 Sq. miles |
| 1960 Population   | 2552          | 3248           | 5800         |
| <i>% of Total</i>                                       | <i>44.0%</i>  | <i>54.0%</i>   | <i>100%</i>  |
| 2010 Population   | 1800          | 6200           | 8000         |
| <i>% of Total</i>                                       | <i>22.5%</i>  | <i>77.5%</i>   | <i>100%</i>  |

## Some Key Comparisons – Village and Town (2)

| <b>Village and TOV Comparison - Assessments</b> |            |            |             |
|---|------------|------------|-------------|
|   | Village    | TOV        | Total       |
| Tax Parcels                                     | 709        | 2512       | 3221        |
| Total Assessed Value (2010)                     | \$112.6M   | \$549.3M   | \$661.9M    |
| <i>% of Total</i>                               | <i>17%</i> | <i>83%</i> | <i>100%</i> |
| Tax Exempt Property Value                       | \$36.4M    | \$115.1M   | \$151.6M    |
| <i>% of Municipality Exempt</i>                 | <i>32%</i> | <i>21%</i> | <i>100%</i> |
| Net Taxable Assessed Value                      | \$76.1M    | \$434.1M   | \$510.2M    |
| <i>% of Total</i>                               | <i>15%</i> | <i>85%</i> | <i>100%</i> |

## Some Key Comparisons – Village and Town (3)

| <b>Village and TOV Comparison - Costs and Levies</b> |            |            |             |
|--|------------|------------|-------------|
|  | Village    | Town       | Total       |
| Budget (2011)  | \$2.2M     | \$7.6M     | \$9.9M      |
| <i>% of Total</i>                                    | <i>23%</i> | <i>77%</i> | <i>100%</i> |
| Tax Levy (2011)                                      | \$1.2M     | \$4.5M     | \$5.7M      |
| <i>% of Total</i>                                    | <i>22%</i> | <i>78%</i> | <i>100%</i> |
| Total Employee Costs                                 | \$981K     | \$2.3M     | \$3.3M      |
| <b>Tax Rates - 2011</b>                              |            |            |             |
|  | Village    | TOV        | -           |
| Townwide   | \$2.78     | \$2.78     | -           |
| TOV  | -          | \$2.60     | -           |
| Village  | \$17.74    | -          | -           |
| Total  | \$20.52    | \$5.38*    | -           |

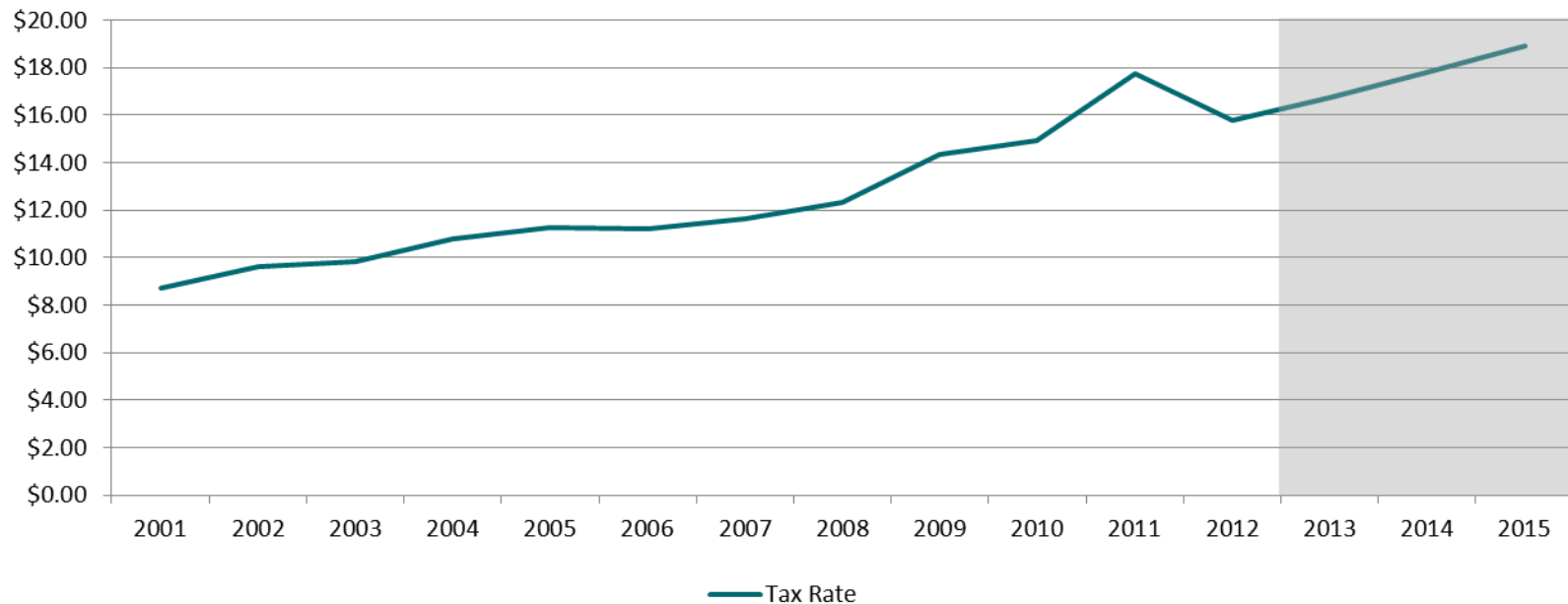
TOV tax rate is \$5.38 plus applicable fire district and special district taxes, which vary based on property location.



# The Financial Challenge for the Village

- ▶ Village property taxes have increased an average of 6.3%/year since FY 2006/07.

### Village Tax Rate History and Projections



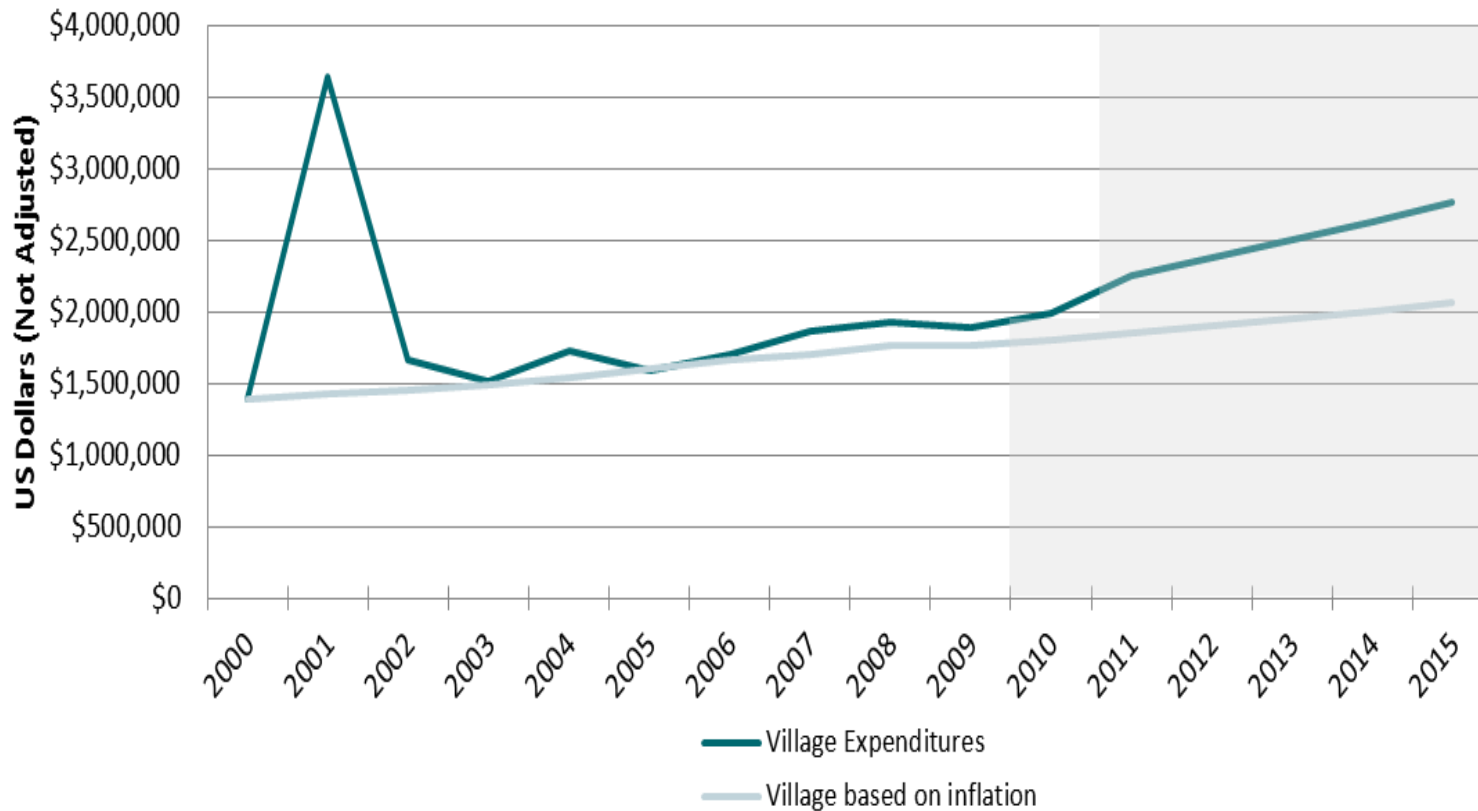
Tax rates for 2001-2006 are projected based on OSC data. Tax rates for 2007-2012 are actual tax rates provided by the Village. Projected tax rates for 2013-2015 based on the average tax rate increase from 2007-2012 of 6.3%. Projected 2015 Village tax rate of \$18.91 plus Town tax rate of \$2.78 would be \$21.69, compared to combined rate of \$20.52 in 2011.

Grey shading indicates projections.

# Costs Continue to Increase

## ▶ Costs continue to Increase

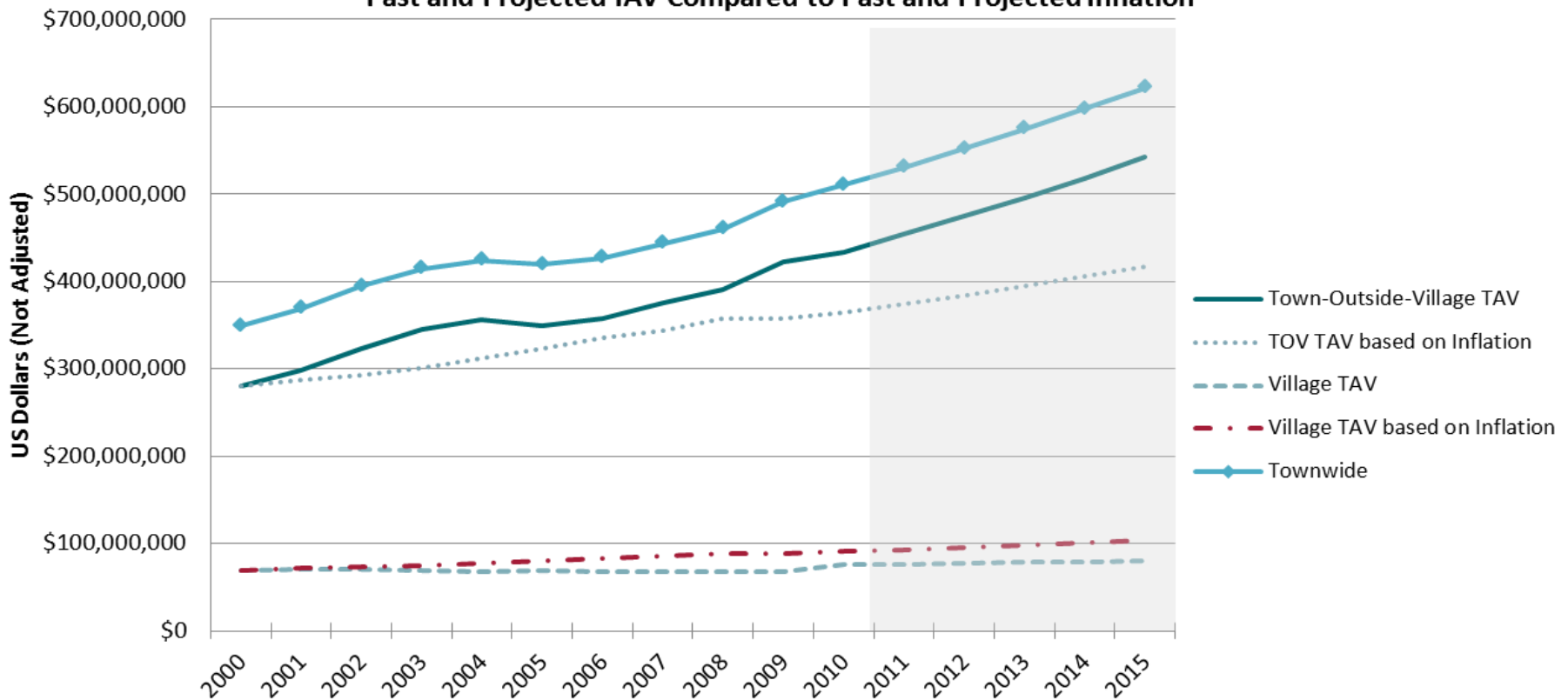
Village Expenditures: Past and Projected Expenditures Compared to Past and Projected Inflation



# Village Property Tax Base is Not Growing

- ▶ Little growth in Taxable Assessed Value in Village compared to Town-Outside-Village

Village, Town-Outside-Village & Townwide Taxable Assessed Value  
Past and Projected TAV Compared to Past and Projected Inflation



# Fundamental Fiscal Imbalance in the Village

- ▶ Painted Post shares many of the same problems with other villages across the state
- ▶ Increasing Costs
  - ▶ Increasing mandated costs: pensions, water quality, etc.
  - ▶ Increasing operational expenses: fuel, insurance, etc.
  - ▶ Deferred infrastructure costs: water system, fire vehicles, etc.
- ▶ Flat tax base not likely to grow
  - ▶ Lack of new construction
  - ▶ High % of tax-exempt property
  - ▶ Landlocked boundaries
  - ▶ The Village is essentially built-out

# Potential Sale of Water

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- ▶ Committee cautions against using potential water revenue as a long term solution – the fundamental imbalance of costs to property tax base will continue
- ▶ Sale of water not yet a reality
- ▶ Duration and amount of sales unknown
- ▶ If/when water revenues are received Committee recommends they be used for water infrastructure improvements (current estimated need \$3-\$4 million)

# Cost Reduction/Efficiency Opportunities (1)

- ▶ Some consolidated services are already provided by the Town:
  - ▶ Assessor
  - ▶ Code Enforcement
  - ▶ Courts
  - ▶ Town Parks and Youth Programs

## Cost Reduction/Efficiency Opportunities (2)

- ▶ Legislative Functions
  - ▶ Description: Village Board eliminated if Village dissolves
  - ▶ Applicable Strategies: only available under Dissolution
  - ▶ Projected savings: Cost of Village Trustees plus NYCOM dues.  
Net savings = \$6,375/yr.

# Cost Reduction/Efficiency Opportunities (3)

## ▶ Administrative Functions

- ▶ Description: Manage two staffs as a single unit
- ▶ Applicable Strategies with projected savings:
  - ▶ Shared services: Saves 2 P.T. FTE's. Net savings = \$12,000/yr.
  - ▶ Functional consolidation: Saves 2 P.T. FTE's. Net savings = \$12,000/yr.
  - ▶ Dissolution: Saves 1.2 FTE's net savings = \$74,000/yr.



# Cost Reduction/Efficiency Opportunities (4)

- ▶ DPW/Water/Sewer Functions
  - ▶ Description: Manage two staffs as a single unit
  - ▶ Applicable Strategies with projected savings:
    - ▶ Shared services: Saves 2 P.T. FTE's. Net savings = \$14,000/yr.
    - ▶ Functional consolidation: Saves 2 P.T. FTE's plus 2 full-time staff FTE's. Saves net savings = \$154,000/yr.
    - ▶ Dissolution: Saves 2 P.T. FTE's plus 2 full-time staff FTE's. Saves net savings = \$154,000/yr.

# Other Functional Considerations (1)

## ▶ Police

- ▶ The Village currently could change its Police costs independent of any change associated with the Town
- ▶ The Town used to have a Town police department, but does not now
- ▶ If the Village were to dissolve, the options are:
  - ▶ Eliminate a local police force – Sheriff and State Police would provide coverage
  - ▶ Have the Town create a Town-wide police department
  - ▶ Create a Police Services District just for the former Village and charge former Village properties for that service. Requires state approval
  - ▶ Create a Police Services District that would include the former Village plus an additional area of the Town. Properties in the expanded district would all pay for the extra service. Requires state approval.

## Other Functional Considerations (2)

### ▶ Fire

- ▶ The Village Fire Department already works closely with the two fire districts in the Town (Gang Mills and Coopers Plains) through a regional Fire Council
- ▶ If the Village were to dissolve, there are two options:
  - ▶ The Village F.D. could become a separate non-profit fire corp. and the Town would contract with the separate fire corp. to serve the former Village fire protection district
  - ▶ The former Village would become a Fire District that would incorporate the former Village F.D.. The Fire District would be governed by an independently elected Board of Fire Commissioners (same model as Gang Mills and Coopers Plains)
  - ▶ No net impact on costs, although factoring in projected equipment replacements would add \$80,000/year

## Other Functional Considerations (3)

- ▶ Water and Sewer Infrastructure Findings
  - ▶ Town water and sewer infrastructure is fairly new
  - ▶ Village water infrastructure is older and needs to be upgraded to meet current health standards and mandates. Current cost estimate: \$3 - \$4 million to upgrade from 4" to 8" mains
  - ▶ Village sewer plant is paying \$30,000 additional /year due to higher water quality standards for the Chesapeake Bay watershed. Town plant already meets those requirements
- ▶ Committee recommendations:
  - ▶ Consolidate Village water and sewer departments (along with DPW operations) into the Town as a functional consolidation
  - ▶ Do the engineering work required to integrate the two systems into one system

## Other Functional Considerations (4)

### ▶ Equipment and Facilities

- ▶ Equipment – some duplication apparent although Village and Town operations require different types of equipment. Likely equipment savings over time by consolidating the fleets, but no savings estimates at this time
- ▶ Facilities:
  - ▶ Sewer plant – might mothball Village plant over time
  - ▶ Water – should integrate the two systems and operate as one
  - ▶ Village Hall – will stay as a municipal building at a minimum as the fire hall. Could house Police Department depending on what option is followed
  - ▶ Cemetery and parks: Town would be responsible
  - ▶ Downtown Parking District: should become a separate business improvement district

## Moving Forward (1)

- ▶ Village and Town Boards could immediately initiate agreements for key **functional** consolidation:
  - ▶ Administrative functions
  - ▶ DPW/Highway/Water/Sewer
- ▶ If Village were to pursue **full** consolidation of the two governments:
  - ▶ Village Board could develop a complete dissolution plan to put before the Village voters
  - ▶ Basics of a dissolution plan, including financial and tax rate impacts, are provided in this report
  - ▶ As a more complex alternative, the Village and Town Boards could develop a consolidation plan to be voted by both Village and Town voters

## Moving Forward (2)

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- ▶ Fiscal Impacts if the Village were to dissolve:
  - ▶ **Full Consolidation** model assumes the Village dissolves
  - ▶ All current Village general fund costs would either:
    - ▶ go to the **Town** (i.e. become part of the Town tax bill), or
    - ▶ be kept as a **special district tax** on the **former village**
  - ▶ All current Village general fund revenues would go to the Town **except** for loss of the Utilities Gross Receipts Tax
  - ▶ The Town would be eligible for \$565,000 ***on-going annual*** CETC grant (Citizens Empowerment Tax Credit) from the state. ***New money*** subject to annual state budget appropriation

## Moving Forward (3)

- ▶ The projected service impacts of Full Consolidation (i.e. the Village were to dissolve and services continued as shown in the report) are:
  - ▶ No changes to current services being provided by the Village and Town. Example – current police services would remain in the Village.
  - ▶ Village tax rate will decrease by \$7.17/\$1,000 without CETC or will decrease by \$8.28/\$1,000 with CETC
  - ▶ Town tax rate will increase by \$.71/\$1,000 without CETC or will decrease by \$.40/\$1,000 with CETC
  - ▶ **Important** - Town could be held harmless at current tax rate without CETC by getting additional savings of \$363,700 through efficiencies and/or service changes



# Summary of Expense and Revenue Changes

| Summary of Expense and Revenue Changes                 |                     |
|--|---------------------|
| Description  | Amount              |
| Elimination of Village Board and related expenses      | \$ (5,175)          |
| Elimination of NYCOM Dues                              | \$ (1,200)          |
| Administration Cost Reduction                          | \$ (74,000)         |
| DPW Cost Reduction                                     | \$ (154,000)        |
| <b>Total Expense Reduction</b>                         | <b>\$ (234,375)</b> |
| Loss of Gross Utilities Receipt Tax revenue            | \$ 15,000           |
| <b>TOTAL Net Property Tax Increase or (Decrease)</b>   | <b>\$ (219,375)</b> |
| <b>Additional Revenue - CETC Incentive from NYS</b>    | <b>\$ (565,069)</b> |
| <b>TOTAL GROSS PROPERTY TAX Increase or (Decrease)</b> | <b>\$ (784,444)</b> |

Note: The loss of GURT is a tax reduction to Village utility customers but negatively affects property tax calculations. The CETC revenue will be used to further reduce the property taxes. For that reason, it is shown as a negative number in this chart.

# Current Tax Rates (includes applied fund balance)

| <b>2011 Tax Rates per \$1000 AV for a Village and TOV Taxpayer<br/>(Includes Fund Balances)</b> |                |               |
|---|----------------|---------------|
|   | <b>Village</b> | <b>TOV</b>    |
| Townwide  | \$2.78         | \$2.78        |
| TOV   | -              | \$2.60        |
| Village   | \$17.74        | -             |
| <b>Total</b>  | <b>\$20.52</b> | <b>\$5.38</b> |
| <i>(TOV residents are also subject to one of the fire district taxes)</i>                       |                |               |
| Fire Protection District 423  |                | \$1.56        |
| CP/LA Fire District   |                | \$1.35        |
| FV/GM Fire District   |                | \$1.01        |

Source: 2010-2011 Village Tax Bill, 2011 County & Town Tax Bill

Note: TOV total tax rate is \$5.38 plus the tax rate of the appropriate Fire District and any applicable special district taxes.

# Projected Tax Rates with Full Consolidation/ Village Dissolution

| Projected Tax Rates with Full Consolidation/Dissolution |                |                 |
|---|----------------|-----------------|
|   | Former Village | Former TOV      |
| Town wide   | \$6.09         | \$6.09          |
| Former Village Debt District                            | \$0.56         | -               |
| New Fire District in Former Village                     | \$1.30         | -               |
| Police District in Former Village                       | \$4.32         | -               |
| Street Lighting District in former Village              | \$1.08         |                 |
| <b>Total*</b>   | <b>\$13.35</b> | <b>\$6.09**</b> |
| Impact of CETC  | \$1.11         | \$1.11          |
| <b>TOTAL w/CETC</b>                                     | <b>\$12.24</b> | <b>\$4.98**</b> |

Source: Calculated by CGR

\*Assumes Police District is Former Village Only

\*\*Projected TOV tax rates shown here do not include fire district or applicable special district taxes.

Note: Assumes application of fund balance at same level as 2010-2011.

Note: CETC is New York State Citizen Empowerment Tax Credit.

# Full Consolidation/Dissolution Tax Rate Impact - Summary

| <b>Full Consolidation/Dissolution Tax Rate Impact Summary</b>         |                |                |
|---|----------------|----------------|
| <b>Current 2011 Tax Rates</b>   |                |                |
|   | <b>Village</b> | <b>TOV</b>     |
| Townwide  | \$2.78         | \$2.78         |
| TOV   | -              | \$2.60         |
| Village   | \$17.74        | -              |
| <b>Total</b>  | <b>\$20.52</b> | <b>5.38*</b>   |
| <b>Projected Tax Rates after Dissolution</b>                          |                |                |
| Townwide  | \$6.09         | \$6.09         |
| Former Village Debt District  | \$0.56         | -              |
| New Fire District in Former Village                                   | \$1.30         | -              |
| Police District in Former Village                                     | \$4.32         | -              |
| Street Lighting District in former Village                            | \$1.08         | -              |
| <b>Total</b>  | <b>\$13.35</b> | <b>\$6.09*</b> |
| <b>Impact of additional cost savings to Offset TOV tax increase**</b> | <b>\$12.64</b> | <b>5.38*</b>   |
| Impact of CETC  | \$1.11         | \$1.11         |
| <b>TOTAL Tax Rate including application of CETC</b>                   | <b>\$11.53</b> | <b>\$4.27*</b> |

\*Current and projected TOV tax rates shown here do not include applicable fire district or special district taxes.

\*\*Additional cost reductions of \$363,700 would be necessary to offset the projected TOV tax rate increase.

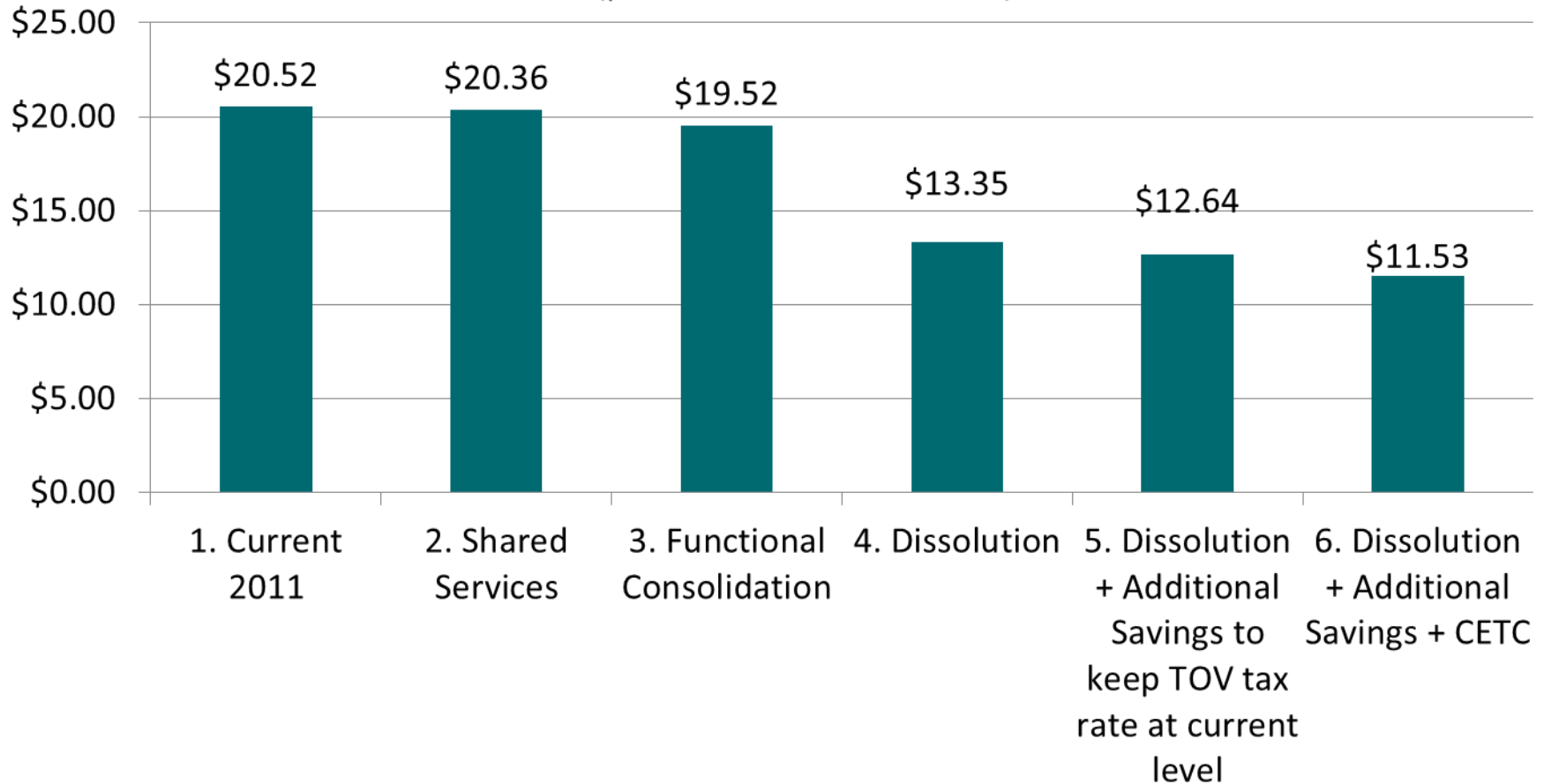
# Impact of Options on Village Tax Rate (1)

| Impact of Options on Village Tax Rate                                     |   |
|---|---|
| Option  | Tax Rate<br>(per \$1000 Assessed Value) |
| 1. Current 2011   | \$20.52                                 |
| 2. Shared Services  | \$20.36                                 |
| 3. Functional Consolidation   | \$19.52                                 |
| 4. Dissolution  | \$13.35                                 |
| 5. Dissolution + Additional Savings to keep TOV tax rate at current level | \$12.64                                 |
| 6. Dissolution + Additional Savings + CETC                                | \$11.53                                 |

# Impact of Options on Village Tax Rate (2)

## Impact of Options on Village Tax Rate

■ Tax Rate (per \$1000 Assessed Value)



# Additional Benefits for the Community

- ▶ Cost increases spread over a larger tax base (whole Town)
- ▶ Greater operational efficiencies (e.g. no more lifting Town plow when it goes through the Village)
- ▶ Greater purchasing power (combined volumes and reduced duplication through standardization – e.g. software systems, equipment, etc.)
- ▶ Integrated town-wide planning and economic development approach to regional problems and opportunities (such as water sales)
- ▶ Planned approach to consolidation as a long term objective will foster a smooth transition process

# Comments/ Questions/ Suggestions

Full documents and details available on the study website:  
<http://cgr.org/painted post>

Village of Painted Post & Town of Erwin Study

Exploring shared service & consolidation options

CGR

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- [Oct. 27 Public Meeting Press Release](#)
- [Preliminary Findings Report 4-21-11](#)
- [Village & Town Budget Summary FY 2011](#)
- [Next Committee Meeting](#)

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ABOUT THE STUDY

The Study The Study Team Timetable