

## CGR



### Port Henry Dissolution Study & Plan

Official Public Hearing – Dec. 17, 2009

Center for Governmental Research

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### Village Goals in Undertaking this Project

- ▶ Develop with assistance from outside consultant:
  - ▶ Dissolution Study
    - ▶ Decision-making tool for the community
  - ▶ Dissolution Plan
    - ▶ Put before Village voters Mar. 16, 2010
    - ▶ If approved, dissolution will take effect Dec. 31, 2011

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### What We Will Cover Tonight

- ▶ Only briefly discuss Dissolution Study
  - ▶ Details covered in November presentations
  - ▶ Dissolution Committee then met to determine Plan
- ▶ Focus is on Dissolution Plan
  - ▶ Tax impact – Village & Town-outside-Village (TOV)
  - ▶ How Village services will be continued
  - ▶ Impact of dissolution on personnel
  - ▶ Disposition of Village assets & liabilities
  - ▶ What happens to Village laws
  - ▶ Potential benefits / disadvantages of dissolution
  - ▶ Options if the Village does not dissolve

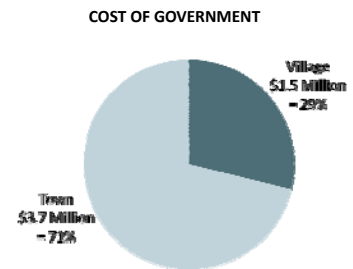
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### Study Finding: Current Cost of Government

- ▶ Combined budgets = \$5.2 million

- ▶ Of total, Town pays Village \$141,000 for joint sewer operations (Note: Village cost = \$75,845)
- ▶ Village pays \$3,000 to Town for youth programs



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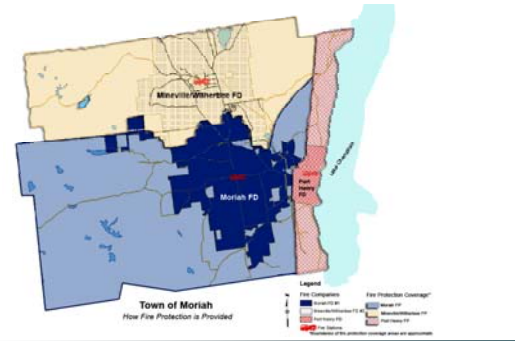
### Where Village Is Spending \$1.5 Million

- ▶ Highway services – 27%
- ▶ Water – 13%
- ▶ Sewer – 11%
- ▶ General facility, insurance, misc. – 9%
- ▶ Campground – 7%
- ▶ Clerk & Treasurer – 5%
- ▶ Fire – 5%
- ▶ Mayor & Board related – 3%
- ▶ Refuse / Recycling – 2%
- ▶ Other – 18% (e.g., joint sewer treatment plant, youth)

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### Issue #1 to First Address – Fire Services



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### Dissolution Plan Creates New Fire District

- ▶ New Port Henry Fire District to cover Village
- ▶ Town to hold public hearing to extend Fire District “subject to dissolution of the Village”
  - ▶ Extension to include area of Town fire protection district bounded on:
    - ▶ North – Westport town line
    - ▶ South – Crown Point town line
    - ▶ West – Routes 9N/22
    - ▶ East – Lake Champlain
- ▶ District & extension take effect – Dec. 31, 2011

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### Issue #2: Tax Impact & New AIM

- ▶ Aid & Incentives to Municipalities = state unrestricted aid (Town & Village currently receive \$78,038)
- ▶ Additional AIM is incentive for consolidating two governments = \$303,600 in Year 1
- ▶ Plan projects tax impact both with & without new AIM
  - ▶ Due to NYS current budget constraints / uncertainties

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### Tax Impact Overview

- ▶ Based current budget information – Village & Town
- ▶ Based on home assessed for \$100,000
- ▶ Shown two ways – with and without AIM
- ▶ Shown for Village & TOV residents by location
- ▶ Plan does not address taxes / charges that are not affected by dissolution:
  - ▶ County taxes
  - ▶ School taxes
  - ▶ Water charges
  - ▶ Sewer charges

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### Tax Impact of Dissolving the Village (1)

#### **Village Resident (Port Henry Fire District)**

	<u>With AIM</u>	<u>Without AIM</u>
Current Tax:	\$1,676.00	\$1,676.00
Savings:	(\$567.02)	(\$403.66)
Projected Tax:	\$1,108.98	\$1,272.34
% Change in Tax:	-33.8%	-24.1%

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### Tax Impact of Dissolving the Village (2)

#### **TOV Resident (In New Port Henry Fire District)**

	<u>With AIM</u>	<u>Without AIM</u>
Current Tax:	\$1,000.00	\$1,000.00
Increase:	\$39.12	\$202.49
Projected Tax:	\$1,039.12	\$1,202.49
% Change in Tax:	+3.9%	+20.2%

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### Tax Impact of Dissolving the Village (3)

#### **TOV Resident (In Fire Protection District)**

	<u>With AIM</u>	<u>Without AIM</u>
Current Tax:	\$1,000.00	\$1,000.00
Savings or Increase: (\$ 2.86)		\$ 160.51
Projected Tax:	\$ 997.14	\$1,160.51
% Change in Tax:	-0.3%	+16.1%

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#### Tax Impact of Dissolving the Village (4)

##### **TOV Resident (Mineville-Witherbee Fire District)**

	<u>With AIM</u>	<u>Without AIM</u>
Current Tax:	\$1,003.00	\$1,003.00
Savings or Increase: (\$ 2.08)		\$ 161.29
Projected Tax:	\$1,000.92	\$1,164.29
% Change in Tax:	-0.2%	+16.1%

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#### Tax Impact of Dissolving the Village (5)

##### **TOV Resident (Moriah Fire District)**

	<u>With AIM</u>	<u>Without AIM</u>
Current Tax:	\$1,029.00	\$1,029.00
Savings or Increase: (\$ 2.08)		\$ 161.29
Projected Tax:	\$1,026.92	\$1,190.29
% Change in Tax:	-0.2%	+15.7%

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#### How Village Services Will Be Continued (1)

- ▶ Fire services – continue as described
- ▶ Village services – maintain via special districts:
  - ▶ Water
  - ▶ Sewer
  - ▶ Refuse / recycling collection
  - ▶ Sidewalk snow removal
    - ▶ Water district, sewer district & combined refuse / sidewalk snowplow district all conform to boundaries of existing Village – thus, no shift in cost to TOV

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#### How Village Services Will Be Continued (2)

- ▶ Village currently has 8-hour per week services from Code Enforcement Officer
  - ▶ Code enforcement responsibilities to be absorbed by the Town Code Enforcement Officer

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### Impact of Dissolution on Personnel

#### **Village**

- ▶ Mayor & 4 trustee positions – eliminated
- ▶ Treasurer position – eliminated
- ▶ PT Code Enforcement Officer position – eliminated
- ▶ 8 Village employees transfer to Town staff
  - ▶ Clerk – to Town Clerk staff
  - ▶ 5 DPW staff members – to Town Highway Dept.
  - ▶ 2 employees overseeing water filtration plant & joint wastewater treatment plant – to Town staff

#### **Town**

- ▶ 1 part-time position in Clerk's office eliminated

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### Disposition of Village Assets (1)

#### ▶ Village Hall

- ▶ Title transfers to Town
- ▶ Town to consider using for Town purposes (e.g., moving court & police operations there)
- ▶ Deed to stipulate if Town sells property – resulting revenue to be used to pay down 2009 E-one fire pumper obligation

#### ▶ Champ RV Park properties

- ▶ Title transfers to the Town
- ▶ Town operates beach/campground

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### Disposition of Village Assets (2)

#### ▶ DPW Garage Facilities

- ▶ Become property of Town
- ▶ Town to determine future use – all facilities date from early 1900s
- ▶ Town to store most DPW equipment at Town highway garage
  - ▶ Town keeps core set of equipment at current Village site
- ▶ Crews report directly to Village site during snowstorms & other emergencies

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### Disposition of Village Assets (3)

#### ▶ Village Fire House

- ▶ Title transfers to Town
- ▶ Town leases space to new Port Henry Fire District

#### ▶ Fire Department fire-fighting equipment/vehicles

- ▶ Village turns over to new Port Henry Fire District

#### ▶ All other property / fixed assets

- ▶ Become property of the Town

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#### What Happens to Village Fund Balances?

- ▶ Water & sewer fund balances
  - ▶ No change – stays with current Village users
- ▶ Joint sewer fund balance
  - ▶ No change in how used to jointly benefit Village & Town residents served by wastewater treatment plant
- ▶ General fund balance
  - ▶ If funds remain, will be used to pay down outstanding principal on the new fire pumper prior to Dec. 31, 2011

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#### What Happens to Village Debt?

- ▶ Village general fund debt (9/30/09) = \$282,922
  - ▶ Village pays off \$13,516 on DPW truck prior to dissolution
  - ▶ Remaining debt = new fire pumper
    - ▶ Obligation transfers to Port Henry Fire District (includes Village & properties north & south along lake)
- ▶ Water & sewer fund debts
  - ▶ Remain with new Port Henry water / sewer districts
  - ▶ Thus, no cost shift to TOV taxpayers

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#### Village Laws

- ▶ Remain in effect within Port Henry for period of 2 years following dissolution
- ▶ Plan outlines:
  - ▶ Which laws will not become part of Town law
  - ▶ Which laws need to be re-written as Town laws

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#### Key Fiscal Changes Due to Dissolution (1)

- ▶ Mayor/Village Board savings – \$31,964
- ▶ Clerk/Treasurer savings – \$47,105
- ▶ Code Enforcement savings – \$6,700
- ▶ Projected overtime savings (Highway/DPW) – \$10,000
- ▶ Increased costs to transfer DPW staff – \$20,000
- ▶ Shift of Village-only costs to Town taxpayer base –
  - ▶ \$29,000 Village street lighting
  - ▶ \$26,000 retiree benefits
  - ▶ \$9,000 total – youth programs, library, Labor Day costs

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### Key Fiscal Changes Due to Dissolution (2)

- ▶ Costs for the Port Henry Fire Department are spread across the larger Port Henry Fire District
- ▶ Most of \$312,000 in Village Highway costs (except where excluded by Plan, such as \$25,500 refuse /recycling cost) is allocated to the larger Townwide taxpayer base
- ▶ Two major cost & revenue shifts benefit TOV taxpayers
  - ▶ \$376,172 in TOV general & highway costs are spread across larger Townwide tax base
  - ▶ \$176,550 formerly only Village general fund revenues become Townwide revenues

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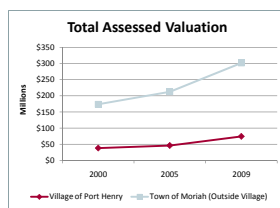
### Potential Benefits of Dissolution (1)

- ▶ Lowers taxes for Village residents
  - ▶ Gross savings = \$95,769 & Net savings = \$75,769
  - ▶ Equivalent to 10% savings from Village general fund
- ▶ Eliminates one layer of government
- ▶ Potential for significant new AIM revenues
- ▶ Eliminates issues of equity between Village & Town
- ▶ Cost savings due to eliminating duplicate services
- ▶ Opportunity to focus as community on capitalizing on major assets (beaches/campgrounds) for economic development
- ▶ Gives Village taxpayers access to more fiscal resources (i.e., full taxable value of entire Town)

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### Potential Benefits of Dissolution (2)



Area	2000		2005		2009	
	Total Assessed Valuation	% of Town wide	Total Assessed Valuation	% of Town wide	Total Assessed Valuation	% of Town wide
TOV	\$135,847,034	78%	\$166,185,490	78%	\$226,860,249	75%
Port Henry	\$38,224,266	22%	\$46,409,064	22%	\$74,671,299	25%
Townwide	\$174,071,300	100%	\$212,594,554	100%	\$301,531,548	100%

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### Potential Disadvantages of Dissolution

- ▶ Loss of identity as Village (would become hamlet of Port Henry)
- ▶ Village residents may fear loss of control
- ▶ Cost shifts that impact TOV taxpayers

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#### Are There Options to Just Share Services?(1)

- ▶ **Question:** *Are there alternatives to current structure short of dissolving the Village?*
- ▶ **Answer:** Key services are already consolidated – police, assessor, court, wastewater treatment & animal control

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#### Are There Options to Just Share Services?(2)

- ▶ **Water System Consolidation** - CGR identified as only service area that might yield significant cost savings
- ▶ **Question:** *Would having 1 water filtration plant & water system (instead of 2) be fiscally wise?*
- ▶ **Answer:** Town/Village engineers estimate the cost to make change = \$2.4 million
- ▶ **Conclusion:** too costly to consider

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#### Next Steps & Key Dates

- ▶ Website: [www.cgr.org/porthenry](http://www.cgr.org/porthenry)
- ▶ Committee makes final revisions to report & delivers to Village Board by 12-31-09
- ▶ Early 2010 – Village takes steps to put dissolution on ballot
- ▶ Village voters vote March 16, 2010
- ▶ If dissolution approved, the Village will dissolve on December 31, 2011

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