

**Presentation by the Dissolution Study Committee
to the Joint Village and Town Boards on May 25, 2011**

**Dissolution Plan Options Overview:
for the Village and Town of Potsdam**

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Dissolution Study Committee

- ▶ **Village Representatives:** Tim Connolly (chair); Michele Arnold; Ruth Garner; Eleanor Hopke; Alexandra Jacobs; Mark Lee; Rose Rivezzi; Will Siegfried; and Steve Warr.
- ▶ **Town Representatives:** Cindy Goliber; Jack McGuire; Dan Parker; Mario Pusateri; Marie Regan; and Mike Zagrobelny.

Tonight's Agenda

- ▶ Objectives of this Presentation
- ▶ Key Process/Timeline Dates
- ▶ Key Questions and Options – Committee Report
- ▶ Board Comments/Questions
- ▶ Next Steps

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Presentation Objectives

- ▶ To give the Joint Boards a first look at the key decisions the Committee is facing
- ▶ To summarize the Key Options the Committee has reviewed:
 - ▶ Desire is to highlight important policy/service options
 - ▶ Implementation details are driven by the key options
- ▶ Explain the fiscal and tax impacts of the options
- ▶ Hear Board comments/questions to consider as Committee moves into final stage of the project

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Key Process/Timeline Dates

- ▶ April 13, 2011 – Public presentation of What Exists Report
- ▶ May 25 – Discussion of Draft Options with Joint Boards
- ▶ June 8 – Public presentation of Draft Options
- ▶ June 22 – Draft Dissolution Plan completed
- ▶ By June 30 – Draft Plan official notification
- ▶ Approx. July 20 – Official Public Hearing on Draft Plan
- ▶ Approx. July 31 – Committee submits Proposed Plan to Village Board
- ▶ By August 26 – Village Board approves, publishes Plan
- ▶ By Sept 16 – Board holds official Public Hearing
- ▶ End of September – Board adopts Official Plan for vote by Village voters on November 8

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Why Review Different Options

- ▶ The Dissolution Plan has to provide specific details about what will happen if Village voters vote to dissolve the Village
- ▶ What services will be provided, by whom, how, and what will it cost?
- ▶ There are a multitude of possible options
- ▶ The Plan has to identify a recommended set of options. This is what voters will vote on.
- ▶ Whatever options are recommended will determine service levels, costs and tax rates for the future

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What the Plan Cannot Anticipate

- ▶ The Committee, in preparing the Dissolution Plan, can project the effect on the structure of local government – reducing from 2 entities into 1.
- ▶ But, the Dissolution Plan cannot project decisions future elected leaders will make regarding levels of service to be provided
- ▶ The Committee’s Dissolution Plan can only reflect its own judgment about what options would best serve the community if the Village dissolves
- ▶ The Plan is a non-binding guide for future elected officials

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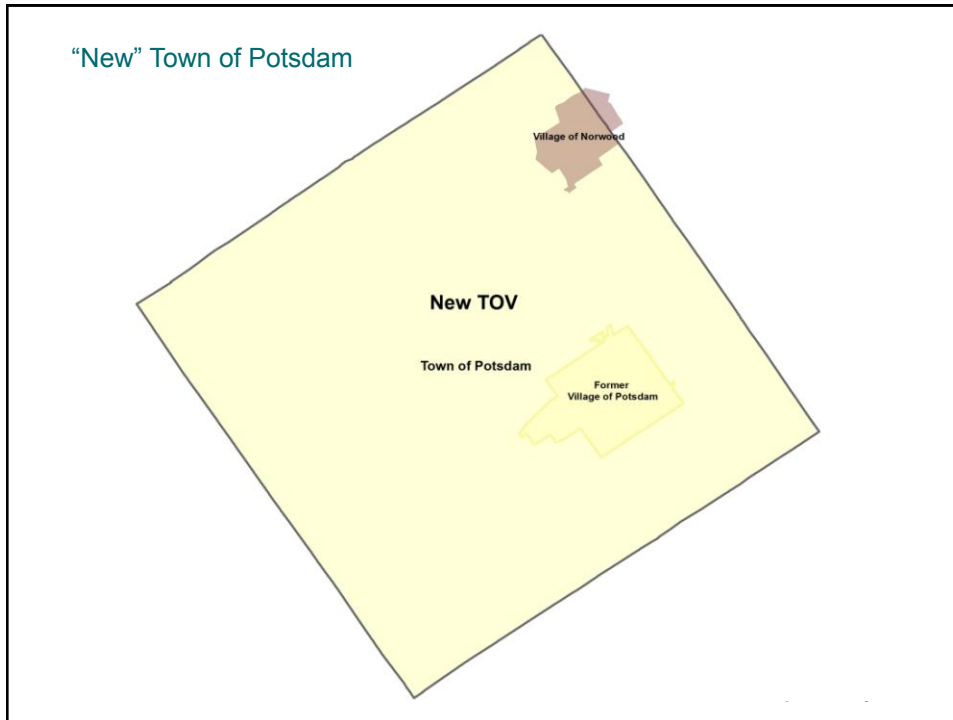
Who will be affected by the Plan

- ▶ Village of Potsdam (VOP) residents, businesses, and institutions
- ▶ Village taxpayers
- ▶ Users of Village services
- ▶ Town outside village (TOV) residents, businesses, taxpayers
- ▶ Village of Norwood residents, businesses, taxpayers
- ▶ Current Village and Town employees
- ▶ Plus – the physical environment depending on decisions about municipal facilities and infrastructure

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What will be affected by the Plan

- ▶ What services will be provided
- ▶ How services will be provided
- ▶ The fiscal (cost) impact of those services
- ▶ The property tax impact of those services

In summary – the Committee selected options that it believes strikes the right balance between service delivery and cost if the Village dissolves.

Options Decisions - Overview

- ▶ There were a handful of major option decisions the Committee had to address
- ▶ For most operations, merging Village and Town operations would be straightforward
- ▶ The Dissolution Plan sets the policy and operational expectations if the Village dissolves. It is not intended to be a highly detailed transition implementation document
- ▶ Detailed implementation would be worked out between the two boards during the 13 month transition period if Village voters vote to dissolve

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Major Policy Options Recommendations (1)

1. Harmonizing staff differences between the Village and the Town:

- ▶ In some functions – Village staff work 40 or 35 hours per week, most Town positions (with the exception of Hway) work 30 hour weeks
- ▶ Some title differences
- ▶ Benefits are similar but there are some cost differences
- ▶ Recommendations favored by Committee:
 - ▶ Keep current Village administration staff hours and salaries except standardize 3 clerical positions at 30 hours
 - ▶ In Codes, decrease FT Village employee to 30 hour week
 - ▶ In Courts, reduce two clerk positions to 30 hour week
 - ▶ By law, former Village employees who become Town employees receive Town pay scale and benefits
- ▶ Cost/tax impact – little net impact to combined budgets

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Major Policy Options Recommendations (2)

2. Elected Boards

- ▶ Village Board eliminated if Village dissolves
- ▶ Town Board currently has five representatives
- ▶ Possible option to change Town Board size but would require state legislation
- ▶ Recommendation favored by Committee
 - ▶ Keep 5 member Town Board
 - ▶ No increase in pay for Town Board members
- ▶ Cost/tax impact – \$77,520 elimination of Village Board associated expenses

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Major Policy Options Recommendations (3)

3. Police

- ▶ Keeping a dedicated Police department is a high priority
- ▶ Options considered:
 - ▶ Keep as a Police District in former Village – requires State legislation
 - ▶ Make a Town-wide police department
 - ▶ Contract with the Sheriff for higher level of dedicated Sheriff patrol
- ▶ Recommendation favored by Committee
 - ▶ Make the current department a Town-wide department
 - ▶ Expanding the size of the force would increase current costs
- ▶ Cost/tax impact – no cost impact, but substantial tax shift going to town-wide service

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Major Policy Options Recommendations (4)

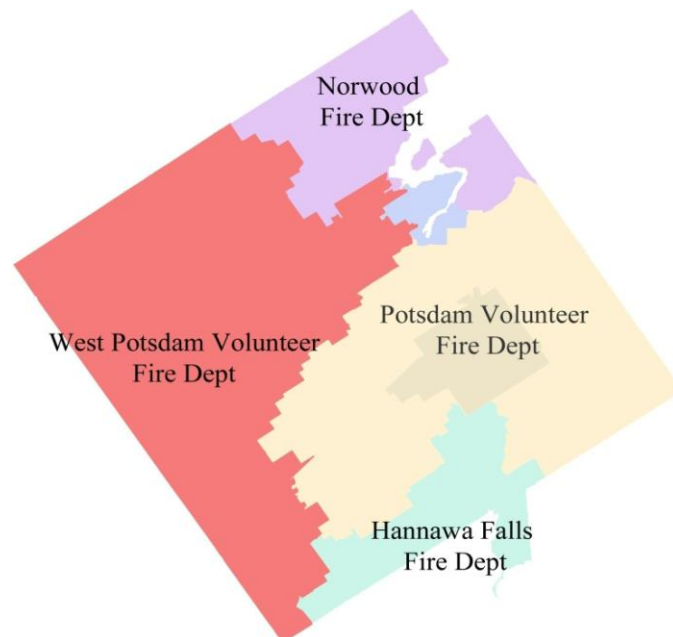
4. Fire

- ▶ Keeping the current Village department is a high priority
- ▶ Town cannot run/own a fire department
- ▶ Options considered:
 - ▶ Village F.D. becomes a separate non-profit corp., contracts with Town fire protection district
 - ▶ Village F.D. and area covered by PFD becomes a separate Fire District
- ▶ Recommendation favored by Committee
 - ▶ PFD incorporate as a separate non-profit corp. to serve the Town fire protection district that includes the former Village
- ▶ Cost/tax impact – Slightly higher costs for paid drivers retirement plan, some tax shift to TOV

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Major Policy Options Recommendations (5)

5. All other Village functions and services

- ▶ Options were reviewed on a function-by-function basis
- ▶ Recommendations favored by Committee:
 - ▶ Retain all other current Village functions and services with only minor changes as noted in each functional review
 - ▶ Allocation as Town-wide or TOV based on state requirements and/or current T or TOV allocation
 - ▶ Note – Town Board does have some policy discretion – e.g. certain highway costs
- ▶ Cost/tax impact – net of all changes – minimal cost impact, but creates a cost shift to former TOV and Village of Norwood

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Function by Function Review (1)

- ▶ Administration
 - ▶ No change – Village employees could become Town employees. Costs allocated town wide
- ▶ Buildings
 - ▶ No reduction in number of buildings – might shift functions between buildings. Costs allocated town wide
- ▶ Courts
 - ▶ No change in service – would become a Town Court
 - ▶ No change in current administrative staff size. Number of justices would go from 4 to 2 (minimum)
 - ▶ 2 court clerk positions reduced to 30 hours a week (from 35 and 40)
 - ▶ Costs allocated town wide

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Function by Function Review (2)

- ▶ **Recreation**
 - ▶ No change to current services or size of staffing
 - ▶ Costs allocated to TOV
- ▶ **Community/Economic Development and Planning**
 - ▶ Costs allocated town wide
- ▶ **Code Enforcement**
 - ▶ No change to current staff size. Town vacant position to be filled. Former Village positions reduced to Town 30 hour positions
 - ▶ Costs allocated to TOV
- ▶ **Codes and Ordinances**
 - ▶ Little changes required
 - ▶ Special ordinances can be set for former Village as needed

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Function by Function Review (3)

- ▶ **DPW/Highway**
 - ▶ No change to primary highway/DPW operations. Same total staff size.
 - ▶ Leaf/brush pick - becomes town wide service with reduced frequency
 - ▶ Street lighting and refuse would be town special districts in former Village. Village sidewalk policy adopted town wide
 - ▶ Costs allocated to TOV or T consistent with town law and current policy
- ▶ **Utilities**
 - ▶ No change to current staff size
 - ▶ Current Village Water and Sewer operations become special district. Self-supporting by service fees as at present
 - ▶ Hydro – to become a town wide operation – Town assumes current debt and hydro revenues

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Function by Function Review (4)

- ▶ Police
 - ▶ Discussed in separate slide
- ▶ Fire
 - ▶ Discussed in separate slide
- ▶ Rescue Squad
 - ▶ No change to current operations. Town would assume Village building lease obligations

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Function by Function Review (5)

- ▶ Special Taxing Districts
 - ▶ Former Village would retain some costs through special taxing district
 - ▶ Current general fund debt - \$250,000 Arena Debt
 - ▶ Current post-employment obligations - \$426,000
- ▶ One-Time Dissolution Transition Costs
 - ▶ Legal fees, buyout of accumulated compensated absences, etc.
 - ▶ Working estimate - \$100,000 (Note: Village had \$1.5 million in fund balance as of 5/09)

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Fiscal and Tax Impacts (1)

- ▶ Projected Expense Changes from current DSC recommendations

Amount	Description
\$ (77,520)	Elimination of Village Board related expenses (inc. benefits)
\$ (1,000)	Elimination of NYCOM dues
\$ (20,167)	Reduced exp. from adjusted hours-4 admin. positions from 35 to 30
\$ (10,000)	Reduced exp. From adjusted hours 2 court clerks to 30 hr/wk
\$ (11,476)	Reduced exp. From adjusting CEO from 40 to 30 hr/wk
\$ 20,000	Increase for Fire retirement costs
\$ (100,163)	Total Net Expenditure Change

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Fiscal and Tax Impacts (2)

- ▶ Projected Revenue Changes if the Village dissolves
 - ▶ Loss of Gross Utilities Receipts Tax – Towns not eligible to collect this tax. Impact – \$130,000
 - ▶ Addition of Citizens Empowerment Tax Credit (CETC) – the state consolidation incentive funding - \$570,000
 - ▶ Annual and ongoing (subject to annual state budget process)
 - ▶ Formula = 15% of current combined tax levy for V and T
 - ▶ Estimate based on 2010/11 tax levies (excluding special districts): \$3,812,518 per year
 - ▶ At least 70% of CETC must be used for property tax reduction. Dissolution Plan financial model assumes 100% used for property tax reduction
 - ▶ Net Change excluding CETC = \$29,837 cost per year
 - ▶ Net Change w/ CETC = \$540,163 savings per year

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Fiscal and Tax Impacts (3)

- ▶ Property Tax Impact of Dissolution Plan
 - ▶ Former Village expenses and revenues distributed to the T or TOV per law or current practice
 - ▶ Example – sales tax must be applied to TOV first. Balance can be used as a T revenue, or used to offset County taxes in TOV. Dissolution Plan assumes balance is applied as a T revenue
 - ▶ Net increase in T costs have to be spread to Norwood as well as former Village of Potsdam and former TOV properties
 - ▶ Impact – large tax shift to former TOV and Norwood properties
 - ▶ Potsdam Fire Protection District costs are spread equally across all properties in the New TOV (former TOV plus the former Village)
 - ▶ Impact – tax shift to former TOV

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Fiscal and Tax Impacts (4)

Potsdam: Current (2010) Village and Town Property Tax Rates, per \$1,000 Assessed Value (includes use of Fund Balance)			
	Village of Potsdam	TOV	Village of Norwood
Townwide	2.25	2.25	2.25
Town-Outside General	-	-	-
Town-Outside Hwy	-	0.19	-
Village	15.43	-	14.09
Fire	-	0.76	-
TOTAL	17.67	3.20	16.34

Source: St. Lawrence County Real Property Tax Service Agency
Notes: Reflects 2010 tax rates. Excludes special district taxes. Village of Norwood includes Town of Potsdam portion only.

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Fiscal and Tax Impacts (5)

FISCAL IMPACT OF COMMITTEE FAVORED DISSOLUTION OPTIONS

Village and Town Property Tax Rates, per \$1,000 Assessed Value

(Does Not Include Fund Balance)

	Former Village of Potsdam	Current TOV	Village of Norwood
Townwide (A) and (DA)	\$7.52	\$7.52	\$7.52
Town-Outside General (B)	-	-	-
Town-Outside Hwy (DB)	-	-	-
Village	-	-	\$14.09
Former Village Taxing Dist.	\$3.50	-	-
New TOV Fire Protection District	\$1.48	\$1.48	-
TOTAL	\$12.50	\$9.00	\$21.61
Impact of New CETC Tax Credit	\$1.21	\$1.21	\$1.21
TOTAL w/ New CETC Tax Credit	\$11.28	\$7.78	\$20.39

Source: Calculated by CGR

Notes: Does not include fund balance. CETC is Citizen Empowerment Tax Credit.
Reflects 2010 tax rates. Village of Norwood includes Town of Potsdam portion.

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Tax Impact Summary

Fiscal Impact Comparison Summary

	Former Village of Potsdam	Current TOV	Village of Norwood
Current (2010) Tax Rates	\$17.67	\$3.20	\$16.34
Committee Favored Options	\$12.50	\$9.00	\$21.61
Committee Favored Options with CETC	\$11.28	\$7.78	\$20.39

Notes: Options calculation does not include use of fund balance. To make an apples-to-apples comparison of options to current tax rates - current tax rates without use of fund balance would be: Village of Potsdam \$19.06; TOV \$4.58; and Village of Norwood \$17.35.

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Next Steps

- ▶ Committee will hold public meeting to discuss these Options – June 8
- ▶ Committee will finalize its recommendations based upon feedback from tonight and the June 8 meeting
- ▶ Committee will develop its recommended Dissolution Plan based upon its final selected recommendations
- ▶ Public Hearing on its draft recommended Dissolution Plan to be held mid-July
- ▶ Committee final recommended Dissolution Plan to be submitted to Village Board by end of July
- ▶ In November, Village voters vote on dissolution

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Full Documents and Details on the Web Site

Village of Potsdam
Dissolution Study

*investigating options
for the future*

HOME ABOUT THE STUDY UPCOMING EVENTS DOCUMENTS REPORTS FAQ

What's New
Last Updated 5-17-11

- [Committee will present Draft Options at Joint Board Meeting - May 25](#)
- [Public Review & Discussion of Draft Options Report scheduled for June 8](#)
- [April 13 Public Forum Presentation posted](#)
- [Draft What Exists Report posted](#)
- [Dissolution Study Timeline posted](#)
- [Town and Village data now available](#)
- [Dissolution Study Questions and Answers Sheet posted](#)

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This concludes our Presentation.
Thank you.

Comments/ Questions/ Suggestions for the Committee

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