

**Village of Potsdam  
Dissolution Study & Plan**  
*Official Public Hearing*  
July 20, 2011

**Presentation by the Dissolution Study Committee**

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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.

## Topics for Tonight

- ▶ Review Process to Date
  - ▶ Project overview: 19-month process
  - ▶ What Exists report and Options report
- ▶ What Would Change if the Village Dissolves – The Dissolution Plan
  - ▶ Services
  - ▶ Assets
  - ▶ Taxes
- ▶ The Next Steps up to the Vote on November 8, 2011
- ▶ FAQs
- ▶ Public Questions and Feedback

## 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
- ▶ **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

## NYS Article 19 Dissolution of Villages

- ▶ Under Article 19 we are charged with developing a dissolution plan
- ▶ 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

## 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.**

## 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

## Currently 107 Village and Town Employees

Potsdam: Employee Summary by Department							
Department	Town of Potsdam		Village of Potsdam		Combined		
	FT	PT	FT	PT	FT	PT	Total
Elected Boards	0	5	0	5	0	10	10
Administration/ Court/Clerks	6	6	9	2	15	8	23
Police	0	0	18	0	18	0	18
Fire and Rescue	0	0	4	0	4	0	4
DPW/Hway/ Utilities	18	0	23	0	41	0	41
Code/Community Development	1	0	4	2	5	2	7
Recreation	0	0	3	0	3	0	3
Museum	0	0	1	0	1	0	1
<b>TOTAL</b>	<b>25</b>	<b>11</b>	<b>62</b>	<b>9</b>	<b>87</b>	<b>20</b>	<b>107</b>

Source: Town and Village wage and benefit information for FY2010.  
 Notes: Recreation staff expenses shared 50/50 between Village and Town. Cleaning staff included in admin. Village DPW includes water, sewer, Hydro. Does not include summer recreation staff.

“New” Town of Potsdam: Larger TOV and Village of Norwood



What Would Change if Village Dissolves (1)

Direct Savings of:

\$	(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 hr/wk
\$	(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
\$	(73,511)	Elimination of 1 FTE in Economic Development dept (inc. benefits)
\$	20,000	Increase for Fire retirement costs
<b>\$</b>	<b>(173,674)</b>	<b>Total Net Expenditure Change</b>

Note – change made from first public hearing on May 10

## What Would Change if Village Dissolves (2)

- ▶ For most operations, merging Village and Town operations would be straightforward
- ▶ Village Water, Sewer, Refuse, and Street Lighting will remain as Town Special District Costs – no change
- ▶ Town will continue to provide:
  - ▶ Elected Representation
  - ▶ Clerk/Administration
  - ▶ DPW/Highway
  - ▶ Code Enforcement, Assessor, Justice, Recreation, Community Development, Historian, Animal Control, emergency rescue, fire protection
- ▶ Change in Services: Town wide Police Department, town wide leaf and brush pick up

## Tax Rates for FY 2010

	<b>Village of Potsdam</b>	<b>TOV</b>	<b>Village of Norwood</b>
Townwide	\$2.25	\$2.25	\$2.25
Town-Outside General	-	-	-
Town-Outside Hwy	-	\$0.19	-
Village	\$15.43	-	\$14.09
Fire	-	\$0.76	-
<b>TOTAL</b>	<b>\$17.67</b>	<b>\$3.20</b>	<b>\$16.34</b>

- Notes: 1. Excludes school and county taxes  
 2. Tax rates shown include use of fund balance  
 3. Village tax rates above are 2010/2011 fiscal year. The 2011-12 Potsdam Village tax rate is \$14.99 (not including town wide tax).

## Fiscal and Tax Impact

### **FISCAL IMPACT OF COMMITTEE FAVORED DISSOLUTION OPTIONS**

Village and Town Property Tax Rates, per \$1,000 Assessed Value  
(Does Not Include Fund Balance)

	<b>Former Village of Potsdam</b>	<b>Current TOV</b>	<b>Village of Norwood</b>
Townwide (A) and (DA)	\$7.72	\$7.72	\$7.72
Town-Outside General (B)	-	-	-
Town-Outside Hwy (DB)	-	-	-
Village	-	-	\$14.09
Former Village Taxing Dist.	\$3.10	-	-
New TOV Fire Protection District	\$1.48	\$1.48	-
<b>TOTAL</b>	<b>\$12.30</b>	<b>\$9.20</b>	<b>\$21.81</b>
Impact of New CETC Tax Credit	\$1.21	\$1.21	\$1.21
<b>TOTAL w/ New CETC Tax Credit</b>	<b>\$11.09</b>	<b>\$7.99</b>	<b>\$20.60</b>

## Tax Impact Summary

	<b>Former Village of Potsdam</b>	<b>Current TOV</b>	<b>Village of Norwood</b>
Current (2010) Tax Rates	\$17.67	\$3.20	\$16.34
Committee Favored Options	\$12.30	\$9.20	\$21.81
<b>Committee Favored Options with CETC</b>	<b>\$11.09</b>	<b>\$7.99</b>	<b>\$20.60</b>

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.

To calculate the fiscal impact on your home:

(Property Assessed Value / 1,000) x Tax Rate = Projected Tax Bill

## What Is the Dissolution Plan?

- ▶ If approved by the Village Board, the Plan is the document that says what is expected to happen if the Village dissolves
- ▶ If the dissolution is approved by voters in November 2011, the Village will continue until December 31, 2012
- ▶ If the Village dissolves, the Town government takes over
- ▶ The Town board is expected to follow the Plan in general
  - ▶ Unless the Plan says otherwise, the Town must keep codes, laws, ordinances etc. of the former Village for two years
  - ▶ The Town board has the right to act as needed for the best interest of the community

## Dissolution Plan Section 1

- ▶ Disposition of Village Property
  - ▶ All buildings and assets will transfer to Town at no cost
  - ▶ Water, hydroelectric, sewer and streetlight facilities will be assigned to the water/hydroelectric, sewer and street lighting districts
  - ▶ All Village books and records will be transferred to the Town Clerk



## Dissolution Plan Section 2a

- ▶ Retired Employees - Outstanding Obligations
  - ▶ Village currently provides \$426,000 per year to former employees. Assigned to special district in former Village.
  - ▶ NOTE – current or past Village employees who paid into the New York State Retirement System will continue to receive their retirement benefits from the State. Village dissolution will have no effect on their benefits.

## Dissolution Plan Section 2b

- ▶ Village Debt – Outstanding Obligations
  - ▶ Current water, Hydroelectric and sewer debt will be assigned to the special water/hydroelectric and sewer districts and will be paid off as part of the user fee costs
  - ▶ Village portion of the recreation arena debt will be assigned to the TOV (including the former Village)

## Dissolution Plan Section 2c

- ▶ Collection of Necessary Taxes and Assessments
  - ▶ The Town will be responsible for levying and collecting taxes and special district charges upon dissolution of the Village

## Dissolution Plan Section 3

- ▶ Transfer or Elimination of public employees
  - ▶ Nearly all positions will transfer to town as noted
  - ▶ 6 positions will be eliminated
    - ▶ Mayor
    - ▶ 4 Trustees
    - ▶ 1 Economic Development position
  - ▶ Four paid driver positions will be eliminated with the expectation the Potsdam Volunteer Fire Dept. will create similar positions
  - ▶ 6 positions will have reduced hours to align with similar Town positions/titles
    - ▶ 3 admin/clerks
    - ▶ 1 code enforcement
    - ▶ 2 court clerks

## Dissolution Plan Section 4

- ▶ **Agreements Between the Village and Town**
  - ▶ Necessary agreements (e.g., transfer of titles on property and equipment) are specified in applicable sections of the Plan
  - ▶ Formal agreements or memoranda of understanding between the Village and Town are not in place as of the finalization of this document

## Dissolution Plan Section 5

- ▶ **Village Laws and Ordinances**
  - ▶ In general – all Village laws and ordinances will be kept and folded into Town law, except:
    - ▶ 10 Ordinances that are outdated or no longer applicable as they refer to Village officers or the Village specifically, which would not apply in the future because there would be no Village if it dissolved
    - ▶ Current Village laws and ordinances remain in effect for a period of two years following dissolution

## Dissolution Plan Section 6 a-h

- ▶ Continuation of Village Functions
  - ▶ Town will assume all major functions
  - ▶ Village board of trustees and mayor positions eliminated
  - ▶ Court services transfer to the Town
  - ▶ Police protection services provided town wide
  - ▶ Water will become a Town special district including the Hydroelectric operation, paid for by user fees & hydro revenue
  - ▶ Sewer will become a Town special district paid for by user fees
  - ▶ Street lights and Refuse Services will become Town special districts paid for by former Village properties as part of the property tax - no change in cost or services

## Dissolution Plan Section 6 i-p and r-s

- ▶ Continuation of Village Functions
  - ▶ Village DPW functions folded into the Town. Essentially no change in service except reduction in brush pick up to be offered town wide
  - ▶ Assessor, Animal Control, Licensing – unchanged continue to be provided by the Town
  - ▶ Vital Records management transfer to the Town
  - ▶ Historian services transfer to the Town
  - ▶ Museum support unchanged; costs allocated to new TOV
  - ▶ Emergency rescue unchanged. Town assumes building lease obligation
  - ▶ Recreation services transfers to the Town; services unchanged; costs allocated to new TOV

## Dissolution Plan Section 6 q, and t-w

- ▶ Continuation of Village Functions
  - ▶ Potsdam Fire Dept. incorporate as a separate non-profit corp. to serve the Town fire protection district that includes the former Village
  - ▶ Increase fire expenses \$20,000 per year above current costs to offset loss of NYS retirement contribution
- ▶ Community and Economic Development transfer to the town – reduction of 1 FTE
- ▶ Airport transfers to Town
- ▶ Code enforcement services transfer to the Town costs allocated to new TOV

## Dissolution Plan Section 7a

- ▶ Village Fund Balances
  - ▶ If the Village dissolves, any fund balances will be used to benefit Village tax-payers prior to 12/31/12
  - ▶ Fund balances in the water, Hydroelectric and sewer funds will be transferred to the water and sewer districts.

## Dissolution Plan Section 7b

- ▶ Change in Revenues
  - ▶ All revenues the Village currently receives will become Town revenues except the \$130,000 Gross Utilities Receipt tax received by the Village that cannot be collected by the Town.
  - ▶ Additional CETC (Citizen Empowerment Tax Credit) funding will be provided to the Town by the State as a consolidation incentive currently projected to be \$570,000 annually

## Dissolution Plan Section 7c

- ▶ Fiscal Impact of Dissolution
  - ▶ Discussed in previous slides

## Dissolution Plan Section 8

### ▶ Other Matters

- ▶ The Committee considered “Are there alternatives to the current government structure short of dissolving the Village?”
  - ▶ Committee identified 3 opportunities for functional consolidation: Code Enforcement, Courts, town wide Planning & Development Office
  - ▶ Committee identified improvement opportunities to current operations outlined in “Potsdam Options Report.”

## Full Documents and Details on the Web Site

Visit the Dissolution Study website: [www.cgr.org/potsdam](http://www.cgr.org/potsdam)

**Village of Potsdam  
Dissolution Study**

*investigating options  
for the future*

HOME ABOUT THE STUDY UPCOMING EVENTS DOCUMENTS REPORTS FAQ

**What's New**  
Last Updated 6-28-11

- [Official Public Hearing – July 20](#)
- [Draft Dissolution Study & Plan now available!](#)
- [June 8 Public Meeting Options Presentation Posted](#)
- [Draft Options Report Posted](#)
- [May 25 Joint Board Meeting Materials Posted](#)
- [April 13 Public Forum Presentation posted](#)
- [Draft What Exists Report posted](#)

EMAIL STUDY TEAM SIGN UP FOR EMAIL ALERTS MESSAGE FROM THE CHAIRMAN

## Next Steps

- ▶ Committee will finalize its recommendations based upon feedback from tonight
- ▶ Committee final recommended Dissolution Plan to be submitted to Village Board by end of July
- ▶ Village Board expected to conduct public hearing in the fall
- ▶ In November, Village voters vote on dissolution

## Sub-Committee Responses to FAQ's

- ▶ General
- ▶ Fire
- ▶ Police
- ▶ DPW/Utilities



## General

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### Q: Why can only Village residents vote?

A: New York State law provides that only village residents can vote to dissolve their village. Why?

- ▶ The Village of Potsdam was established by a group of Town citizens who voted to be taxed differently for their services and to be governed by another group of elected representatives – the Village Board.
- ▶ Now, 180 years later, Village voters are the ones to decide whether to remain separate or to dissolve this structure.

## Fire

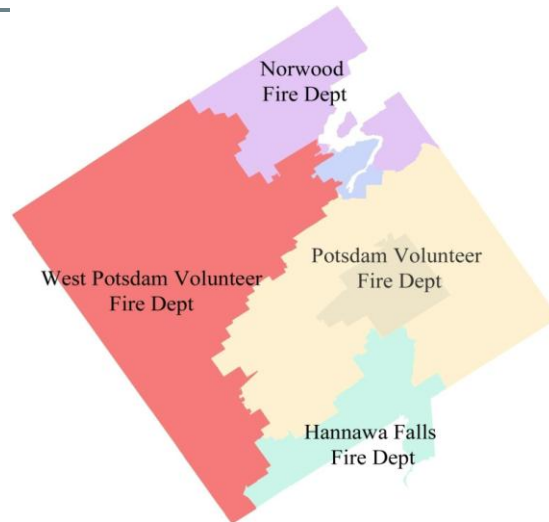
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### Q. Why keep 4 paid drivers in the Plan?

A. There are several reasons:

- ▶ Having drivers ensures timely and efficient response time
- ▶ Without drivers, volunteers would have additional expense for maintenance and training
- ▶ If Village dissolves, drivers would routinely respond to events outside the village boundary

## Fire Department Boundaries in the Town Districts



35

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## Police (1)

**Q. The Sheriff, State Police and SUNY Potsdam police also patrol the area – why do we need our own police?**

**A. Key points the Committee considered include:**

- ▶ 5,900 police incidents per year plus 1,100 rescue calls. Other police can't possibly handle this number of calls
- ▶ Other law enforcement agencies do not provide full level of services provided by PPD
- ▶ Being a college town with ~7,000 students requires more police than in comparable villages without colleges
- ▶ Committee recommends Town consider expanding the size of the force if it becomes a town wide department

Note: Reflects 2009 Police incident data

36

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## Police (2)

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**Q. Are there other options to having it be a Town wide police department?**

**A. Yes, but the Committee believes the Town option is better:**

- ▶ Could be a Police District, however:
  - ▶ Would require state legislation to approve
  - ▶ Village property owners would see no property tax savings
- ▶ Town could contract with the County for enhanced Sheriff services, however, loss of local control over future level of service

## DPW/Utilities (1)

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**Q. Will Water & Sewer service be available outside the current Village?**

**A. In theory yes:**

- ▶ The Water and Sewer plant is capable of accepting additional usage within set guidelines
- ▶ It will be a Town Decision as to those expansions

**Q. Will current employees retain their jobs?**

**A. Not guaranteed but likely under the Plan.**

- ▶ The Town would create new positions equivalent to current Village positions. Reductions are not recommended in the Plan. Current Village employees would have the option of applying for those positions.

## DPW/Utilities (2)

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**Q. Will current village residents continue to receive Water and Sewer?**

**A. Yes, Village residents should see no change**

- ▶ Water and Sewer services will continue as part of special Town service districts.
- ▶ Water and Sewer users will pay usage charges just like they do now.

## DPW/Utilities (3)

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**Q. What will happen with Hydroelectric revenue and debt?**

**A. Committee recommends putting Hydro operations into the Water district:**

- ▶ Associated debt and revenue will become part of this new district in the former Village
- ▶ Surplus revenues may be applied to maintain and support the water district
- ▶ State Comptroller will have to render an opinion about whether Hydro assets can be transferred from the district to whole town in the future

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This concludes our Presentation.  
Thank you.

**Comments/ Questions/ Suggestions for the Committee**