

CGR

Village of Victory Dissolution Plan Public Forum

February 12, 2013 – 7pm Village Hall

Kent Gardner, Chief Economist, Center for Governmental Research



Volunteer Study Committee

- ▶ **Committee Chair**
 - ▶ Terrie Wolcott
- ▶ **Village Representatives**
 - ▶ Leslie Dennison
 - ▶ Tom Drew
 - ▶ George Garney
 - ▶ Allen Kortokrax
 - ▶ Kathleen Rathbun
 - ▶ Laurel Tator
 - ▶ Kim Wait
- ▶ **Town-Outside-Village Representatives**
 - ▶ Debra Mathis
 - ▶ Barbara Tierney

About the Dissolution Study

- ▶ Initiated by voter petition
- ▶ Conducted under Article 19 NYS Village Law
- ▶ Village secured state grant to fund the study
- ▶ **Dissolution Plan is required**
- ▶ Vote will be held **March 19, 2013**
- ▶ Per NYS Law, only registered voters in the Village vote
- ▶ If voters vote to dissolve, would take effect December 31, 2014 (**21 months of transition time**)
- ▶ Study includes options if voters reject dissolution

What is in a Dissolution Plan?

- ▶ The Plan must address **14 specific points**
- ▶ Key components:
 - ▶ What will happen to Village employees, property, assets, debts and fund balances
 - ▶ What will happen to current Village services
 - ▶ What will happen to current Village laws, codes and ordinances and how will they be enforced
 - ▶ The Plan makes financial projections for Village and TOV taxpayers
 - ▶ If Village dissolves, effective date: Dec. 31, 2014

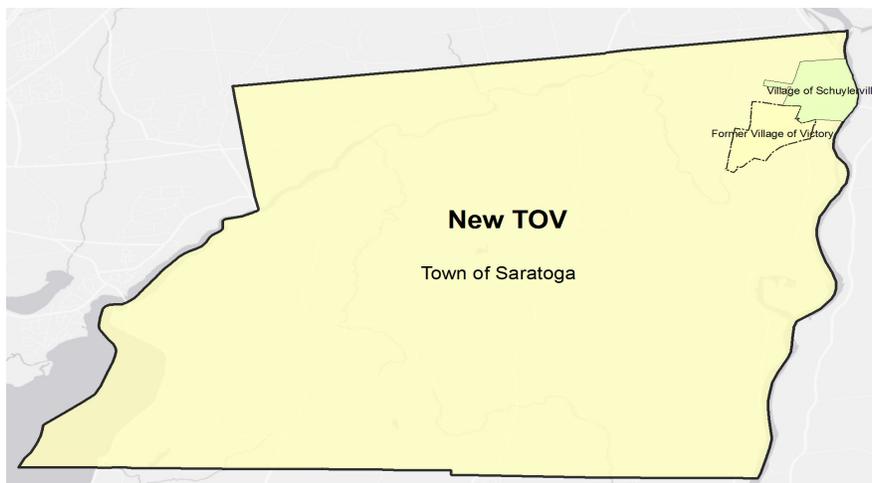
Dissolution Study Committee Charge

- ▶ If Village voters vote to dissolve the Village, determine preferred options for **how** and **what** services are provided
- ▶ Create a draft dissolution plan for the Village Board
- ▶ Make ONE recommendation for each service to include in the plan
 - ▶ **How are services impacted?**
 - ▶ **Who pays?**

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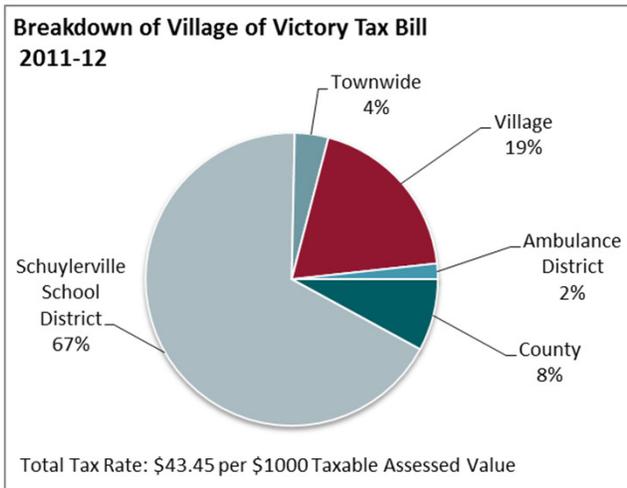
Budgets are divided as to who pays: Upon dissolution there will be Townwide and NEW TOV (Town Outside Village)



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School Taxes Make up More than 2/3 of Local Taxes

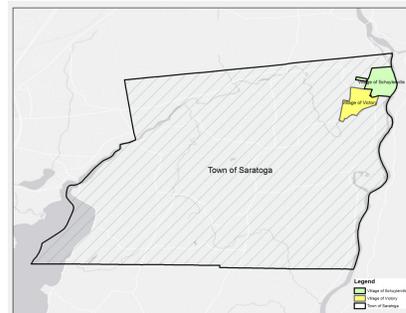


The School District, County, and Ambulance tax rates **will not be impacted by dissolution.**

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What impacts my tax rate?

- ▶ Expenses – Revenues = Tax Levy
- ▶ Taxes you pay depends on where you own property
 - ▶ All pay townwide tax
 - ▶ Pay Village tax if in either Village
 - ▶ May pay district tax (ambulance, fire, lake)



$$\frac{\text{Tax Levy (\$ to be raised by property tax)}}{\text{Taxable Assessed Value (property value)}} \times 1000 = \text{Tax Rate per \$1,000 TAV}$$

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Highlights of Draft Dissolution Plan

Study Committee Recommendations

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Services that are not impacted under dissolution

- ▶ **Police** – currently provided by the County and NYS
- ▶ **Courts/Justice** – currently provided by Town
- ▶ **Animal Control** – currently provided by Town
- ▶ **Elections** (County, State, Federal) – provided by Town
- ▶ **Licensing Services** – currently provided by Town

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Likely Savings

- ▶ Elected officials (mayor & town board): about \$19,000
- ▶ Village Clerk: about \$63,000
- ▶ Planning & Zoning Boards: about \$4,700
- ▶ Public Works
 - ▶ Refuse collection would end as a public service with obligation shifting to property owners
 - ▶ Leaf & brush responsibility would end as a public service with obligation shifting to property owners
 - ▶ No net savings from refuse, leaf & brush—some will pay more, some will pay less
 - ▶ Plan assumes about \$37,000 in savings

District Services

- ▶ Sewer & water will be provided by new districts with existing village boundaries
- ▶ Fire protection will continue to be paid for by users through a new fire protection district. Financial analysis is complex
 - ▶ Village has provided facility and other services for the department. If general use of the building lessens due to Village dissolution, the additional facility maintenance costs will either shift to fire district taxpayers or, if the town takes over the facility, to townwide taxpayers.

Cost Shifts

- ▶ Some costs now borne by Village taxpayers will be shifted to
 - ▶ Residents
 - ▶ All Town of Saratoga residents
 - ▶ Town residents outside the remaining Village of Schuylerville
- ▶ Could include some cost of
 - ▶ Code Enforcement
 - ▶ Planning & Zoning
 - ▶ Lighting
 - ▶ Leaf & brush pickup
 - ▶ Refuse
 - ▶ Spring Cleanup
- ▶ Depends on management decisions of Town Board & Town Supervisor
- ▶ Given the small sums involved, tax impact will also be small

Refuse

- ▶ Village currently provides refuse collection services
- ▶ As this is paid by property tax, higher valued properties effectively pay more than lower valued properties
- ▶ Analysis suggests that the cost per household would rise by shifting to private service—about \$150 per year for average household (less for higher value properties and more for lower value properties)
- ▶ This is a short term cost—long term, there are facility & equipment replacement costs to consider

Fire Protection

- ▶ Town fire protection district expands to include area within the boundaries of the former village
- ▶ Victory Fire Dept., as nonprofit corporation, contracts with the Town to serve portion of fire protection district
- ▶ The Fire Hall facility and equipment becomes Town property and leased to the non-profit fire corporation for \$1/year—could increase cost of services if fire bears full cost of facility
- ▶ The Town Highway Department would provide snow plowing services and maintenance to the Town-owned facility
- ▶ Like water & sewer, costs don't change (except for possible facility costs) and are borne by same property owners

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Bottom Line?

- ▶ Dissolution would reduce costs for most property owners, but not all
- ▶ Average savings would be modest—perhaps \$160 per year although this estimate is very short term. Savings would likely rise over time as public pension costs, capital equipment replacement cost rise.
- ▶ There is much we don't know
 - ▶ The state incentive payment is near certain during Gov. Cuomo's tenure, but may be at risk under a different governor
 - ▶ The town has discretion over service delivery once village is dissolved. This town board can intend actions today that a later town board is empowered to change.
- ▶ Likely outcome: Services will continue at existing or higher level of quality at lower cost

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