

Dissolution Plan for the Village of Malone

By the Malone Dissolution Study Committee

July 12, 2012

This document sets forth, in detail, the Dissolution Plan of the Village of Malone as developed and approved by the Malone Dissolution Study Committee. Following submission of the Plan to the Village Board, it will be up to the Board to decide whether to adopt the Dissolution Plan to present to Village voters. If the Board decides to do so, the question of dissolution could be put before voters on November 6, 2012. If a proposition is put forward and is approved by a majority of Village voters, the Village of Malone would dissolve as of December 31, 2014.

OVERVIEW

1. The local government entity to be dissolved shall be the Village of Malone, New York.
2. The territorial boundaries of the Village of Malone are shown in the map in Appendix C of this report. The Village of Malone is located entirely within the Town of Malone which is in Franklin County, New York.
3. The type of entity is a village as defined in New York Village Law.

FISCAL ESTIMATE OF THE COST OF DISSOLUTION

4. The fiscal estimate of the cost of the dissolution is estimated to be approximately \$72,000. This includes the following cost components:

- Consultant fees to assist the Village in preparing the Plan and related documents and processes: \$52,000 (funded primarily with a New York State Local Government Efficiency grant)
- Legal fees to assist the Village researching legal issues: \$18,000
- Miscellaneous advertisement fees, public referendum fees, etc.: \$2,000

A complete fiscal and tax impact analysis of dissolution is presented in the Study Committee's Final Report.

TRANSFER OR ELIMINATION OF VILLAGE EMPLOYEES

5. The plan for the transfer or elimination of the current employees of the Village is shown below. All current Village employee positions will be eliminated. The Town will assume responsibility for the work provided by current Village employees as follows:

- The Mayor and Village Board positions will be eliminated. (*Estimated savings of \$56,399*).
- The expense for all Village administration, Department of Public Works, code and police staff will be assumed by the Town. This plan assumes that there will be no reduction in staff size or requirements following dissolution. It will be a Town decision whom to hire or contract with to do this work (pursuant to NYS Civil Service Laws).

DISPOSITION OF PROPERTY OF THE VILLAGE & FUND BALANCES

6. All real property improved or not improved will become the property of the Town of Malone. Water and sewer facilities will be assigned to the Malone water and sewer districts. The Town will take title to the Village real property with the understanding that the Town will honor all existing agreements or other arrangements between the Village and other users of Village property. Real property transferred to the Town will be done without consideration¹ and the Town will, at its option, prepare any and all deeds for the Village to execute prior to the date of dissolution.

Village-owned property and fair value (based on current assessed value), according to the Franklin County Office of Real Property, are listed in the table in Appendix A of the Study Committee's Final Report.

Village fund balances remaining upon Village dissolution will be transferred to the Town as follows:

- The Village Sewer Fund, which totaled \$415,805 as of 5/31/11, will transfer to the Malone Sewer District fund and be managed by the Town.
- The Village Water Fund, which totaled \$563,948 as of 5/31/11, will transfer to the Malone Water District Fund and be managed by the Town.
- Upon an affirmative vote to dissolve but prior to the effective date of dissolution, the Village of Malone will use any remaining general fund balance to benefit Village taxpayers during the transition period. Any remaining balance will be transferred to the Town upon dissolution of the Village. The Village general fund, totaled \$1.5 million on 5/31/11 (note that \$385,000 was allocated in the budget for the 2011-2012 fiscal year).

VILLAGE LIABILITIES AND DEBTS

7. The Village liabilities and indebtedness are as follows:

- Liabilities – none known at this time. There are no current lawsuits or proceedings against the Village.

¹ Without consideration means a complete transfer of Village property to the Town without cost to the Town.

- **Indebtedness** – As of 12/31/11, the Village had \$3.9 million in outstanding water debt. A debt of \$380,000 will be paid off in 2030 and a debt of \$3,515,209 will be paid off in 2027.

AGREEMENTS TO CARRY OUT DISSOLUTION

8. The Village and the Town currently have no agreements in order to carry out the dissolution. This Plan was developed with the expectation that if dissolution of the Village is ultimately approved by voters that the succeeding Town government will provide for and comply, to the extent possible, with the Plan as set forth in this document (or as subsequently amended by the Village Board). At the same time, the members of the Committee recognize that future municipal government needs and responsibilities cannot be predicted.

CONTINUATION OF VILLAGE FUNCTIONS OR SERVICES BY THE TOWN

9. *Continuation of services:* Services formerly provided by the Village government will be provided by the Town in the following manner:

- *Elected Representation:* Local government representation will be provided by the Town Board.
- *Clerical and Administrative Services:* Formerly provided by the Village Clerk, Treasurer and office staff will be provided by staff assigned to the Town Clerk and Town Supervisor.
- *Code Enforcement Services:* Formerly provided by the Village will be provided by the Town.
- *Roads, Water and Sewer Services:* Formerly provided by the Village Department of Public Work employees will be provided by the Town Highway Department. The Town will create a new Sewer districts for the former Village and a new Water district for all water users (including the former Village).
- *Courts:* Court services will continue to be provided by the Town.
- *Fire Services:* Fire protection will continue to be provided by the Malone Callfiremen (through a contract between the Town and the Callfiremen).
- *Recreation Services:* Formerly provided by the Joint Recreation Commission will be provided by the Town.
- *Brush and leaf pick-up:* This service will be continued within the former Village but the costs will be levied by a Town through a special assessment district that will include all former Village properties.

- *Street lighting.* Street lighting within the former Village will be continued by the Town, but the costs for street lighting will be levied by the Town through a special assessment district that will include all former Village properties.

DISPOSITION OF VILLAGE ASSETS WHEN DISSOLUTION IS EFFECTIVE

10. The Village will dispose of those assets remaining on the effective date of the dissolution by turning them over to the Town to become Town assets. The Village knows of no liabilities at this time that would become the responsibility of the Town upon dissolution of the Village. The Village cannot project whether or not there may be uncollected taxes upon the date of dissolution; however, any uncollected taxes will have been turned over to the County per current practice.

VILLAGE LAWS AND ORDINANCES

11. Appendix D of the Study Committee's Final Report reviews the current Village local laws, ordinances, rules and regulations. As shown in the appendix, several of the laws have been superseded or are no longer applicable, and so will not become part of Town law. There are 41 Village laws that would need to be rewritten as Town laws. There are 11 Village laws that closely correlate to existing Town laws and may be either reconciled or repealed. After two years, all Town laws apply to the former Village, in accordance with GML Article 17-A §789.

EFFECTIVE DISSOLUTION DATE

12. The Village will be dissolved effective at 12:00 a.m. on December 31, 2014.

OFFICIAL PUBLIC HEARING

13. The Village will hold an official public hearing on the Proposed Dissolution Plan on August 21 at 7:00 p.m. at the Village Meeting Hall at 16 Elm Street.

OTHER MATTERS PERTINENT TO DISSOLUTION

14. Specific service impacts of the Plan, other than those identified above, are as follows:

- *Police Services:* Will become a special police district within the boundary of the former Village, subject to State legislative approval. Costs associated with police services will be assigned to this special taxing district. Police expenditures for the 2011-2012 fiscal year, included benefits and equipment totaled \$1,380,216. Based on current taxable assessed value of the Village and current costs, the estimated cost of the separate levy for those services is approximately \$8.64 / \$1,000.
- *Water Service:* The \$3.9 million in Village debt related to water will be paid for by all water users, both inside the former Village and in the existing Town of Malone East and West Water Districts.