

**Presentation by the Dissolution Study Committee
to the Potsdam Community on June 8, 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
- ▶ Public Comments/Questions
- ▶ Next Steps

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Presentation Objectives

- ▶ To give the public a 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 public 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

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

"New" Town of Potsdam



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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.

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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

Major Policy Options Recommendations (1)

1. Reconciling 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 Highway) 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 as is except standardize 3 clerical positions at 30 hours (with associated pay difference)
 - ▶ 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: ~ \$41,600 reduced staff expenditures

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

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

Major Policy Options Recommendations (4)

4. Fire

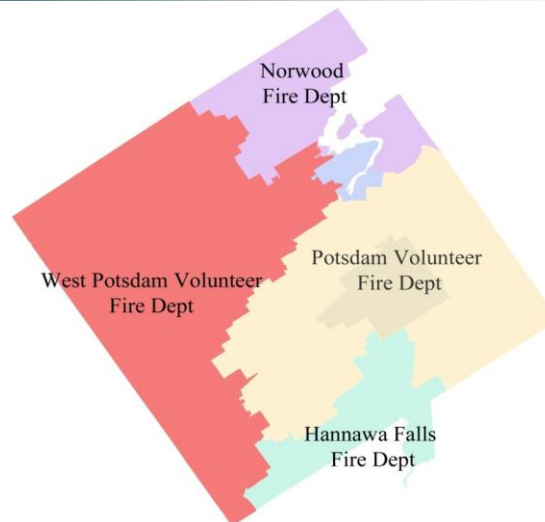
- ▶ Keeping the current Village department is a high priority
- ▶ Town cannot run/own a fire department
- ▶ Options considered:
 - ▶ Village F.D. becomes a separate non-profit corp., contracts with Town fire protection district
 - ▶ Village F.D. and area covered by PFD becomes a separate Fire District
- ▶ 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 – \$20,000 higher costs for current paid drivers retirement plan, some tax shift to TOV

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Fire Department Boundaries in the Town District



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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 positions could become Town positions. 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 districts. Self-supporting by service fees as at present
 - ▶ Hydro – Town creates hydro district (in the former Village), hydro revenues are used to pay hydro debt, operating and ongoing investment costs until debt is paid off, then it becomes a Town operation

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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

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 (\$63,378 annual debt payment)
 - ▶ Current post-employment obligations - \$426,000
- ▶ One-Time Dissolution Transition Costs
 - ▶ Legal fees, buyout of accumulated compensated absences, etc.
 - ▶ Working estimate - \$325,000 (Note: Village had \$1.5 million in fund balance as of 5/09)

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: loss of \$130,000 in revenues
 - ▶ 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 (2010-11:\$3,812,518)
 - ▶ 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 property tax cost per year (utilities taxes would be lower by \$130,000)
 - ▶ Net Change w/ CETC = \$540,163 property tax 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 Use of Fund Balances)

	Former Village of Potsdam	Current TOV	Village of Norwood
Townwide (A) and (DA)	\$7.97	\$7.97	\$7.97
Town-Outside General (B)	-	-	-
Town-Outside Hway (DB)	-	-	-
Village	-	-	\$14.09
Former Village Taxing Dist.	\$2.26	-	-
New TOV Fire Protection District	\$1.48	\$1.48	-
TOTAL	\$11.71	\$9.45	\$22.06
Impact of New CETC Tax Credit	\$1.21	\$1.21	\$1.21
TOTAL w/ New CETC Tax Credit	\$10.50	\$8.24	\$20.85

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	\$11.71	\$9.45	\$22.06
Committee Favored Options with CETC	\$10.50	\$8.24	\$20.85

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

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Next Steps

- ▶ Committee will finalize its recommendations based upon feedback from tonight
- ▶ Committee will develop its recommended Dissolution Plan based upon its final selected recommendations
- ▶ Public Hearing on its draft recommended Dissolution Plan to be 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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