

# CGR

Dissolution Study & Plan  
Village of Victory and Town of Saratoga  
First Public Forum on DRAFT  
Recommendations  
June 13, 2012 – 6:30pm Village Hall

Presented by Village of Victory Dissolution Study Committee and CGR



Revised as of June 15, 2012

## Tonight's Agenda

- ▶ Review dissolution study charge and timeline
- ▶ Review Committee DRAFT recommendations
- ▶ Hear from you – **Questions & Discussion on the Draft recommendations**

## Volunteer Study Committee

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- ▶ **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

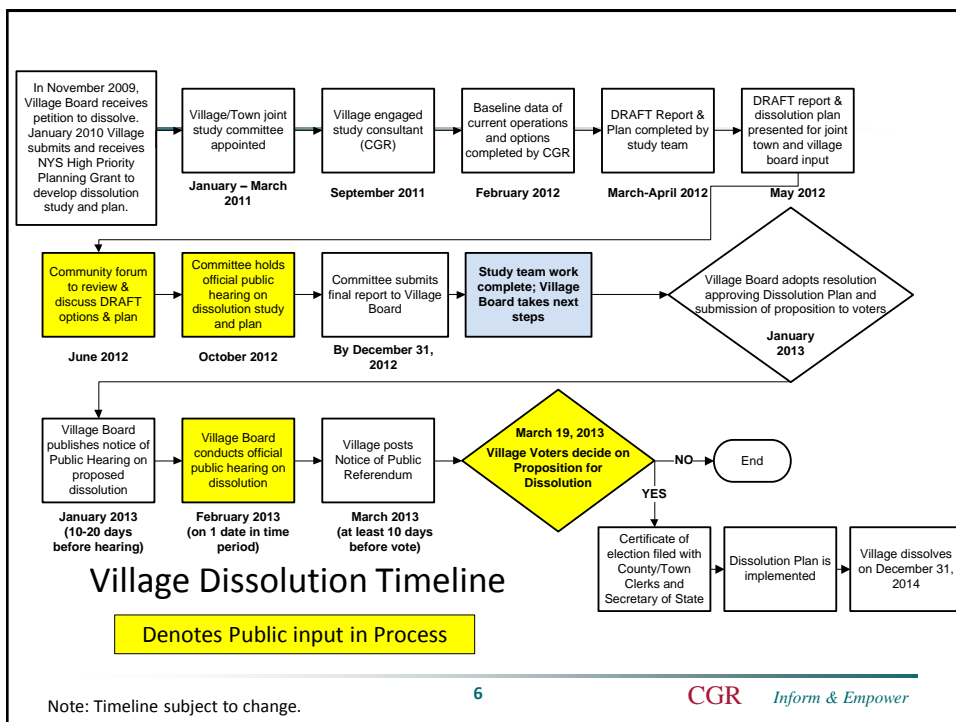
## Center for Governmental Research (CGR)

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- ▶ Technical consultants to the Volunteer Study Committee
- ▶ Objective, nonprofit consulting organization
- ▶ Our goal is to **inform and empower** communities with **objective** information
- ▶ More information can be found at [www.cgr.org](http://www.cgr.org)

## About the Dissolution Study

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



## The Approach: How to think about the study

- ▶ What would the projected impact be if the Village of Victory were dissolved **today**?
  - ▶ Understand how services would be impacted
  - ▶ Based on current budget data (Village and Town)
  - ▶ Future is unknown (with or without dissolution)
  - ▶ This is NOT a management study

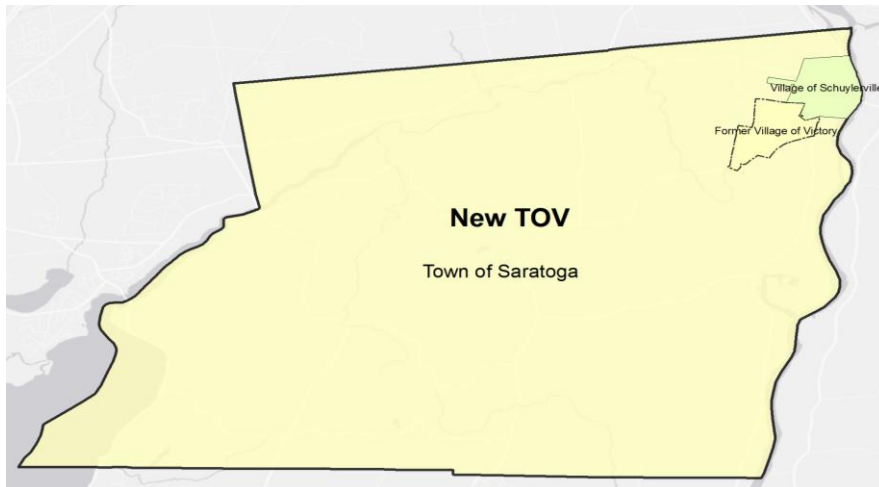
## Key Concepts

Summary background information for reviewing options

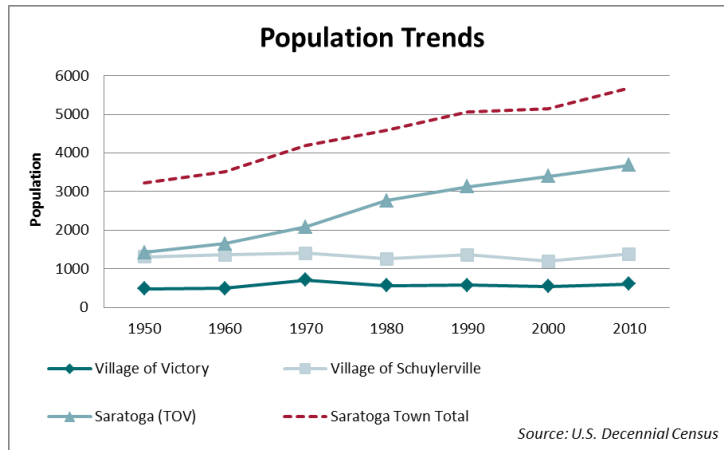
## Dissolution Study Committee Charge

- ▶ 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?**

Budgets are divided as to who pays: Upon dissolution there will be Townwide and NEW TOV



## Town and Village Population



## Taxable Assessed Value (TAV) is how the tax levy is spread across the community

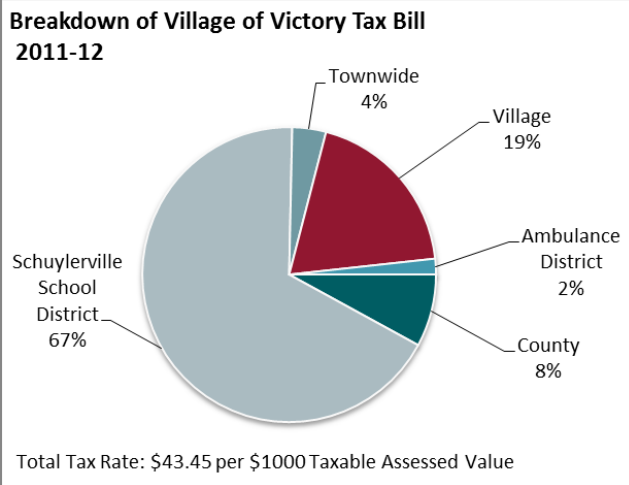
Taxable Assessed Value (2011)		
	Taxable Assessed Value	% of Total Town
Village of Victory	\$16,895,353	5%
Village of Schuylerville	\$48,093,383	14%
Town-Outside-Village	\$279,256,136	81%
<b>TOTAL TOWN</b>	<b>\$344,244,872</b>	<b>100%</b>

Source: Town of Saratoga

Note: TAV for Village of Victory based on Town assessment. Village assessment is \$20 million.

**What this means:** for every \$1 of townwide expenses, the taxpayers in the TOV pays 81 cents, the Village of Victory 5 cents, and the Village of Schuylerville 14 cents.

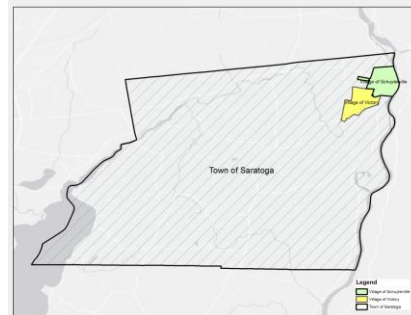
## School Taxes Make up More than 2/3 of Local Taxes



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

## 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)



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

## How much do I pay in local taxes now?

Current Tax Rates per \$1000 Assessed Value Village of Victory, TOV, & Village of Schuylerville			
	Victory (FY 2011-12)	TOV (FY 2012)	Schuylerville (FY 2011-12)
Town wide General	\$1.64	\$1.64	\$1.64
Ambulance District	\$0.77	\$0.77	\$0.77
Village	\$8.50	-	\$10.00
Fire Protection District	-	\$1.10*	-
<b>Subtotals for Comparison</b>	<b>\$10.91</b>	<b>\$3.51</b>	<b>\$12.41</b>
Quaker Springs Fire	-	\$1.74	-
Saratoga Lake	-	\$1.25	-

\*The Fire Protection District tax rate is used for the subtotal, though TOV residents living in the Quaker Springs Fire District pay a rate of \$1.74. Some TOV residents also pay a special tax for Saratoga Lake.  
Note: Table does not include County or School District taxes.

## Review of Services Under Dissolution

Study Committee DRAFT Recommendations

How are services impacted upon dissolution?  
Is it a savings, increase, or a cost transfer?  
Who pays?



## What are these recommendations?

- ▶ Draft recommendations of what the Committee believes is the best option should Village voters approve dissolution
  - ▶ Recommendations do not mean members do or do not favor dissolution
- ▶ Need YOUR input
  - ▶ If the Village government dissolved, what do you think should happen?
- ▶ Final Committee recommendations are due to the Village Board by December 31, 2012

## Services that are **not impacted** under dissolution

- ▶ **Police** – currently provided by the County
- ▶ **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

## Elected Representatives

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- ▶ Village Board and Mayoral functions would be eliminated
- ▶ **Savings:** \$19,235 from elimination of board and mayor expenses, including associated benefits, contractual costs and NYCOM dues

## Administration/Staff

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- ▶ Village Clerk position would be eliminated and functions would be absorbed by Town at no extra cost.
  - ▶ Budgeting, Tax collection, assessment functions already provided by Town Clerk office
  - ▶ **Savings:** \$62,628 from elimination of Village Clerk position, including associated benefits, contractual and equipment costs
- ▶ Part-time Account Clerk position would transfer to the Town, where costs would be paid primarily through user fees for sewer and water services
  - ▶ **Transfer:** \$26,825 cost would transfer to the Town

## Code Enforcement, Planning Board & Zoning Board

- ▶ Code Enforcement
  - ▶ Village currently pays a part time Code Enforcement Officer \$4,618. The Town can absorb the work without additional staff, but may increase hours.
    - ▶ **Transfer:** \$4,618 cost of additional Code Enforcement hours transfers to Town
- ▶ Planning Board
  - ▶ Planning board functions would be provided by the Town.
    - ▶ **Savings:** \$2,229 from elimination of Village Planning Board costs
- ▶ Zoning Board
  - ▶ All zoning board functions would be provided by the Town.
    - ▶ **Savings:** \$2,479 from elimination of Village Zoning Board costs

## Codes and Ordinances

- ▶ Reviewed codes and ordinances of Town and Village of Victory
  - ▶ 6 Village laws would no longer apply (e.g., Village-specific positions)
  - ▶ 15 Village laws would need to be reconciled with corresponding Town laws
  - ▶ 25 Village laws would need to be reviewed, reconciled with corresponding Town laws and/or possibly created as new laws that would apply to the properties within the former Village boundaries
- ▶ Former Village laws and ordinances would remain **in effect for up to two years** following dissolution (Dec. 2016)

## Assessment Services

- ▶ Currently, the Village Board acts as the assessing board for the Village and receives \$400 for this function
- ▶ The Town has a part-time assessor and part-time assessor clerk who provide assessment services for the Town, TOV, and the Village of Schuylerville
- ▶ The Town Assessment Office can absorb the workload for the former Village without additional resources or staffing as part of its Town wide assessment process
- ▶ **Savings:** Elimination of \$400 to Village Board as assessing agent

## Public Works: Staffing

- ▶ Cost of current Village DPW staff is \$96,500
- ▶ The 2 Village DPW positions transfer to the Town, to be paid for by the New TOV
- ▶ Based on current Town pay scale, the estimated cost of two additional, full-time employees (including benefits and uniforms) would be about \$110,000
- ▶ **Committee Recommendation:**
  - ▶ **Transfer:** \$96,500 cost of 2 DPW positions to New TOV
  - ▶ **Increase:** \$13,860 to bring DPW positions up to Town pay scale, New TOV pays cost

## Public Works: Street Lighting

- ▶ Street Lighting
  - ▶ The Village currently spends \$8,500 on street lighting
  - ▶ The Town currently spends \$5,000 on street lighting charged Townwide
- ▶ **Committee Recommendation:**
  - ▶ All street lighting becomes a Townwide expense
  - ▶ **Transfer:** \$8,500 cost of street lighting charged town wide

## Public Works: Refuse

- ▶ The Village provides weekly refuse pick-up as a municipal service with ~520 staff hours per year. TOV residents contract with private vendor of choice.
  - ▶ The total estimated annual cost of Village refuse service is \$24,180. Revenue from sticker fees (about \$8,000 annually) partially offsets this cost.
  - ▶ Thus taxpayers pay \$16,180 for refuse service on their tax bills and those using the service collectively pay \$8,000 in sticker fees.
  - ▶ For property with a taxable assessed value of \$80,000, with \$2 worth of stickers per week, the tax rate is \$0.81/\$1,000, or \$65 per year, plus \$104 for stickers for a total annual cost of \$169 for Village refuse services
- ▶ **Committee Recommendation:** Elimination of refuse pick-up as municipal service. Property owners contract for private service. No reduction of DPW positions. Private refuse pick-up ~\$320 per year, **cost increase of \$151 to former Village taxpayers based on above example. Increase would vary based on property value.**
  - ▶ **Savings:** \$8,000 tipping fee (elimination of \$8,000 in sticker purchases)

## Public Works: Leaf & Brush Pick-Up

- ▶ Village picks up leaf & brush for 8 months at ~624 hours per year. Town does not provide leaf & brush pick-up.
- ▶ Village Leaf & Brush Service costs approximately \$14,900 annually, or \$.75/\$1,000 for Village residents.
- ▶ **Committee Recommendation:** Upon dissolution, this service would be discontinued.
  - ▶ **No savings**, as cost of DPW positions transfer 100% to Town

Note: Costs estimated using Village TAV of \$20 million.

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## Public Works: Spring Clean-Up

- ▶ Village picks up large items in the Spring for two weeks. Town does not provide similar service.
  - ▶ Village Spring Clean-Up service costs ~\$3,850 annually, or \$.19/\$1,000
  - ▶ **Committee Recommendation:** Upon dissolution, this service would be discontinued.
    - ▶ **No savings**, as cost of DPW positions transfer 100% to the Town

Note: Costs estimated using Village TAV of \$20 million.

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## Public Works: Sidewalk Options

- ▶ Repair & maintenance for a portion of Village sidewalks costs \$6,500, or \$.33/\$1,000. Property owners currently responsible for snow removal and upkeep. Town does not provide similar service.
- ▶ **Committee Recommendation:** Establish sidewalk district within the boundaries of the former village.
  - ▶ Town codes would need to be updated to reflect requirements and enforcement
  - ▶ **Transfer:** \$6,500 for sidewalk services charged to all properties within the former village (as is current practice)

Note: Costs estimated using Village TAV of \$20 million.

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## Public Works: Park and Cemetery Maintenance

- ▶ Village DPW maintains 1 park and 1 cemetery
- ▶ Upon dissolution these properties become Town properties
- ▶ **Committee Recommendation:** Maintenance would be continued as part of Highway Dept. service
  - ▶ **Assumes no change in service**

Note: Costs estimated using Village TAV of \$20 million.

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## Sewer Services

- ▶ Sewer service maintained by DPW staff with approximately 5 to 7 hours of clerical support provided each week by the Account Clerk
- ▶ Sewer services are paid for by user fees of \$114,010
- ▶ The Town does not provide sewer service
- ▶ **Committee Recommendation:**
  - ▶ Establish a Town sewer district encompassing Victory and the TOV properties currently receiving sewer service
  - ▶ Transfer of 2 DPW positions to the Town Highway department would allow for sewer maintenance and repair functions. Time spent on sewer-related activities would be charged to the users of the system through the separate district tax
  - ▶ Account Clerk position and associated costs will transfer to the Town and be charged to the sewer district
  - ▶ *Assumes no change in current costs.*

## Water Services

- ▶ Schuylerville-Victory Board of Water Management oversees the operations of the Joint Water System through an IMA (inter-municipal agreement)
  - ▶ If Victory dissolves, one party of the IMA will no longer exist as a legal entity
- ▶ **Committee Recommendation:**
  - ▶ Establish a Town water district of the former Village of Victory and the TOV properties currently receiving service
  - ▶ Joint Water Management IMA would be created to include the Town of Saratoga as a joint member with the Village of Schuylerville
  - ▶ Former Village of Victory portion of water system assets would transfer to the Town for the benefit of its newly created water district
  - ▶ Representatives on the water board to be designated in the IMA as a user of the water service outside of the Village of Schuylerville (which already has representation)
  - ▶ Uniform water rate established (eliminating TOV vs. Village rate differential)
  - ▶ Town Highway staff to lend support as needed and charge the joint water board for services rendered
  - ▶ Account Clerk position transfers to the Town to continue providing water/sewer billing, with the majority of the expense covered by user fees, and the balance of non-utility work expenses allocated Townwide
- ▶ *Assumes new uniform water rate for all users of the system*



## Fire Protection (1)

- ▶ Village is currently served by the Village of Victory Mills Volunteer Fire Department/David Nevins Fire Dept.
  - ▶ Village allocated \$42,000 for fire services, including contractual, building, fuel and insurance costs. The Village receives \$11,901 from the TOV Fire Protection District, partially offsetting expenditures. The net cost of fire service in the Village is \$30,000 (\$1.51/\$1,000 taxable assessed value or 18% of current Village tax rate)
  - ▶ Village provides the facility, insurance, building maintenance and snow plowing for the fire department
  - ▶ Responded to 89 calls in 2011, 68 within the service area and 21 calls as mutual aid to other fire companies
  - ▶ Victory EMT-certified volunteers are dispatched automatically when a 911 call is placed to the Rescue Squad within the Victory Fire Department service area (56 EMS calls in 2011)

Note: Tax rate based on Village TAV of \$20 million.

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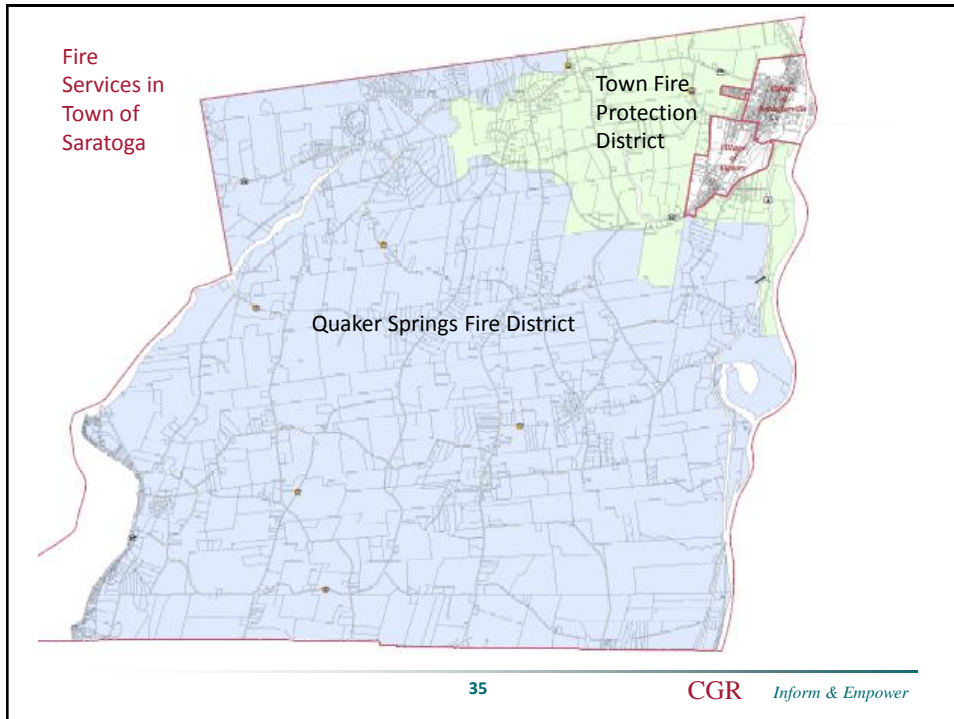
## Fire Protection (2)

- ▶ Town of Saratoga provides fire protection in the Town-Outside-Village (TOV) through a Saratoga Fire Protection District and Fire District
  - ▶ NYS law prohibits Towns from providing fire protection as municipal service – must contract out to Fire Protection District or Fire District
  - ▶ Town contracts with the Village of Victory for \$11,901 and the Village of Schuylerville for \$33,871 to serve the Fire Protection District. Properties in the Fire Protection District pay the same tax rate (\$1.10/\$1,000)
  - ▶ Large portion of the TOV in separate Fire District served by the Quaker Springs Fire Department. The Fire District has its own taxing authority and the Town only collects the district's tax

Note: Tax rate based on Village TAV of \$20 million.

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### Fire Protection (3)

#### Committee Recommendation:

- ▶ 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
- ▶ The Town Highway Department would provide snow plowing services and maintenance to the Town-owned facility
- ▶ Future equipment purchases would be made by the nonprofit fire corporation. Over time, all equipment would be owned by the fire corporation

## Fire Protection (4)

### Committee Recommendation:

- ▶ Nonprofit fire corporation will be responsible for insurance, fuel, and equipment maintenance costs.
- ▶ As a nonprofit corporation, the fire company would be responsible for all of its bookkeeping and administrative work
- ▶ Fire protection district tax rate would include the cost of serving the former Village and the properties now served in the current TOV
- ▶ *Assumes current practice of Town Fire Protection District properties will have uniform tax rate*

## Summary: What services will change?

- ▶ Elimination of leaf and brush pick-up
- ▶ Elimination of Spring Clean Up event
- ▶ Use of private refuse collection (no longer municipal service)
- ▶ New Sidewalk District established
- ▶ New Town Sewer District established
- ▶ New Town Water District established
  - ▶ New Town Water District would be party of Water Board – uniform water rate for all users
- ▶ Former Village becomes part of Town Fire Protection District
  - ▶ Fire services provided by same volunteer department which is independent nonprofit company

## Fiscal Impact of Dissolution

Based on Committee DRAFT recommendations

Revised as of June 15, 2012. Corrected to reflect one-time dissolution study expense as is consistent with revenue model.

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### Revenue Change: Citizen's Empowerment Tax Credit (CETC)

- ▶ The Citizen's Empowerment Tax Credit (CETC) is the incentive offered by NYS to communities that consolidate. The CETC is calculated by adding the most recent tax levies of the Town and Village (general and highway funds only) and then multiplying by 15%:

- ▶ **Revenue increase:**

$$(\text{Town 2012 Levy} + \text{Village 2011-12 Levy}) \times .15 = \text{CETC}$$

$$(\$567,986 + \$170,040) \times .15 = \underline{\$110,704}$$

- ▶ The CETC would be applied Townwide, including the Village of Schuylerville. At least 70% of the CETC must be used to offset property taxes. In this study, it is assumed that 100% of the CETC is applied to offset property taxes Townwide
- ▶ Funding of CETC is ongoing yearly, but subject to annual NYS budget appropriations

## Revenue Change: Utilities Gross Receipt Tax

- ▶ Towns are not eligible to receive the Utilities Gross Receipt Tax (UGRT) that Villages receive
- ▶ Village utility customers will no longer be charged this tax (~2-4% of electric/phone bill)
- ▶ The Village's UGRT revenue of \$3,500 does not carry over to the Town
  - ▶ Revenue reduction: \$3,500
  - ▶ Savings to utility payers (2%-4% of monthly bill)

## Draft Dissolution Plan: Fiscal Impact Summary

Summary of Expense and Revenue Changes - Village of Victory and Town of Saratoga	
Description	Amount
<b>Expenditure Changes</b>	
Elimination of Village Board, Mayor and related expenses	(\$18,507)
Elimination of Village Board Assessment expenses	(\$400)
Elimination of NYCOM Dues	(\$727)
Administrative Cost Reductions	(\$62,628)
Reduction of Zoning Board Expenses (CEO costs transferred)	(\$2,479)
Elimination of Planning Board Expenses	(\$2,229)
DPW Increase	\$13,860
Elimination of refuse tipping fees	(\$8,000)
<b>Total Expenditure Change</b>	<b>(\$81,110)</b>
<b>Revenue Changes</b>	
Loss of Utilities Gross Receipts Tax revenue	(\$3,500)
Elimination of refuse sticker sales	(\$8,000)
<b>Total Revenue Change</b>	<b>(\$11,500)</b>
<b>Net Changes</b>	
<b>TOTAL NET EXPENDITURE SAVINGS</b>	<b>\$69,610</b>
<b>CETC Incentive from NYS - Additional Revenue</b>	<b>\$110,704</b>
<b>TOTAL NET EXPENDITURE CHANGE INCLUDING CETC</b>	<b>\$180,314</b>

## Projected Local Tax Impact

Fiscal Impact of Committee Draft Recommendations (per \$1000 Assessed Value)			
With Appropriated Fund Balances Continued at Current Levels	Former Village	Former TOV	Schuylerville
Town wide General	\$1.41	\$1.41	\$1.41
TOV*	\$0.00	\$0.00	-
TOV Highway	\$0.47	\$0.47	-
Ambulance District	\$0.77	\$0.77	\$0.77
Sidewalk District in Former Village	\$0.38	-	-
TOV Fire Protection District	\$1.30	\$1.30	-
Village General (Schuylerville only)	-	-	\$10.00
<b>Comparison Total</b>	<b>\$4.33</b>	<b>\$3.95</b>	<b>\$12.18</b>
<b>Impact of CETC</b>	<b>\$0.32</b>	<b>\$0.32</b>	<b>\$0.32</b>
<b>Total after Applied CETC</b>	<b>\$4.01</b>	<b>\$3.63</b>	<b>\$11.86</b>
Quaker Springs Fire	-	\$1.74	-
Saratoga Lake	-	\$1.25	-

\*Note: Former TOV residents living in the Quaker Springs fire district pay the Quaker Springs rate instead of the Fire Protection District rate. Some TOV residents may also pay a special tax for Saratoga Lake.

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## Fiscal Impact

Projected Impact of Dissolution Tax Rates (per \$1,000 TAV) and Percent Change from Current			
	Former Village	Former TOV	Schuylerville
<b>Current Comparison Total</b>	\$10.91	\$3.51	\$12.41
<b>Post-dissolution Projections w/o CETC</b>	\$4.33	\$3.95	\$12.18
<i>% Change from Current</i>	<i>-60%</i>	<i>12%</i>	<i>-2%</i>
<b>Post-dissolution Projections with CETC</b>	\$4.01	\$3.63	\$11.86
<i>% Change from Current</i>	<i>-63%</i>	<i>3%</i>	<i>-4%</i>

Note: TOV totals are based on the Fire Protection District Tax Rate and exclude the Saratoga Lake tax to which some residents are subject. County and School tax rates not included.

- Village of Victory property owners would need to hire a private refuse vendor for an estimated \$320 per year (Estimated \$151 more than current cost based on property with \$80K TAV, but increase varies based on property value)
- Property owners would no longer pay for refuse stickers for a total of \$8,000 savings to the community.

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## What is the impact on my taxes?

1. Identify your taxable assessed value (TAV) for your property
2. Determine which tax rate applies to you (Village, TOV, Schuylerville)
3. Follow the formula below to calculate: a) current tax rate and b) projected tax rate under dissolution

$$\frac{\text{Your property Assessed Value} \times \text{Tax Rate}}{1,000} = \text{Projected Local Tax Bill}$$

**Formula is:** Your TAV multiplied by the total rate divided by 1,000. For Village of Victory property owners, add private refuse costs to your annual projected tax bill post-dissolution

**Note:** Some properties benefit from special tax exemptions, such as veterans exemptions, which are not included above.

## Impact on Sample Property with TAV of \$80,000

Projected Impact of Dissolution			
Tax Bill Based on \$80K TAV Property and Percent Change from Current			
	Former Village	Former TOV	Schuylerville
<b>Current Property Tax Total</b>	\$873	\$281	\$993
<b>Post-dissolution Property Tax w/o CETC</b>	\$347	\$316	\$975
<i>% Change from Current</i>	-60%	12%	-2%
<b>Post-dissolution Property Tax with CETC</b>	\$321	\$290	\$949
<i>% Change from Current</i>	-63%	3%	-4%

Note: TOV totals are based on the Fire Protection District Tax Rate and exclude the Saratoga Lake tax to which some residents are subject. County and School tax rates not included.

- ▶ Private refuse costs additional

## One Time Transition Cost Estimates

- ▶ Employee vacation and sick time payouts for 3 FTE (Village is liable with and without dissolution) = \$20,000
- ▶ Unemployment Insurance (low-end is 1 FTE for 6 months to high-end of 3.5 FTEs for 6 months) = \$10,500 to \$35,000
- ▶ Legal Fees = \$15,000 (estimate based on 75 hours at \$200 / hour; actual figure could be higher or lower subject to issues that arise during implementation process)
- ▶ Miscellaneous Other = \$7,000 (estimate based on applying a 10% contingency to the sum total of other identified potential transition costs; actual figure could be higher or lower subject to issues that arise during implementation process)
- ▶ Total Estimate Range: \$50,000 to \$80,000
- ▶ NYS provides Implementation Grants to assist with implementation expenses (Seneca Falls received and Altmar in process)
- ▶ Village Fund Balance can also be applied - \$150,000 as of 12/2011

Next Steps



## Next steps:

- ▶ Committee incorporates public feedback into Draft Plan
- ▶ Submits questions to Town Board for input on draft plan
- ▶ Revises Draft Plan to present to the public in the Fall
- ▶ Review service areas for possible shared service opportunities without dissolution (Fall)
- ▶ Submit final report to the Village Board by December 31
- ▶ Village holds vote on March 19, 2013

## Discussion & Questions

For more information, sign-up for alerts, or to submit questions or comments, visit:

[www.cgr.org/victory](http://www.cgr.org/victory)

THANK YOU!