

Chaumont Dissolution Study Committee Public Forum Presentation - 5/1/12

What Exists & Options for the Future Village of Chaumont & Town of Lyme

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Study Committee Members

- ▶ Bill Borden – Chair and Village Trustee
- ▶ Valerie Rust – Village Mayor
- ▶ Scott Aubertine - Town Supervisor and Village resident
- ▶ Dan Villa – Town Councilman and TOV resident
- ▶ Sue Cornell – Village resident
- ▶ Scott Radley – Village resident
- ▶ Alternates:
 - ▶ Don Bourquin – Town Councilman and Village resident
 - ▶ Jim Price – Village Trustee

Topics for Tonight

- ▶ Review of Study Background and Objectives
- ▶ Overview of Study Process
- ▶ What Exists – Key Findings
- ▶ Options for the Future – Draft Recommendations
- ▶ Next Steps
- ▶ Questions from the Public

Project website:

www.cgr.org/chaumont

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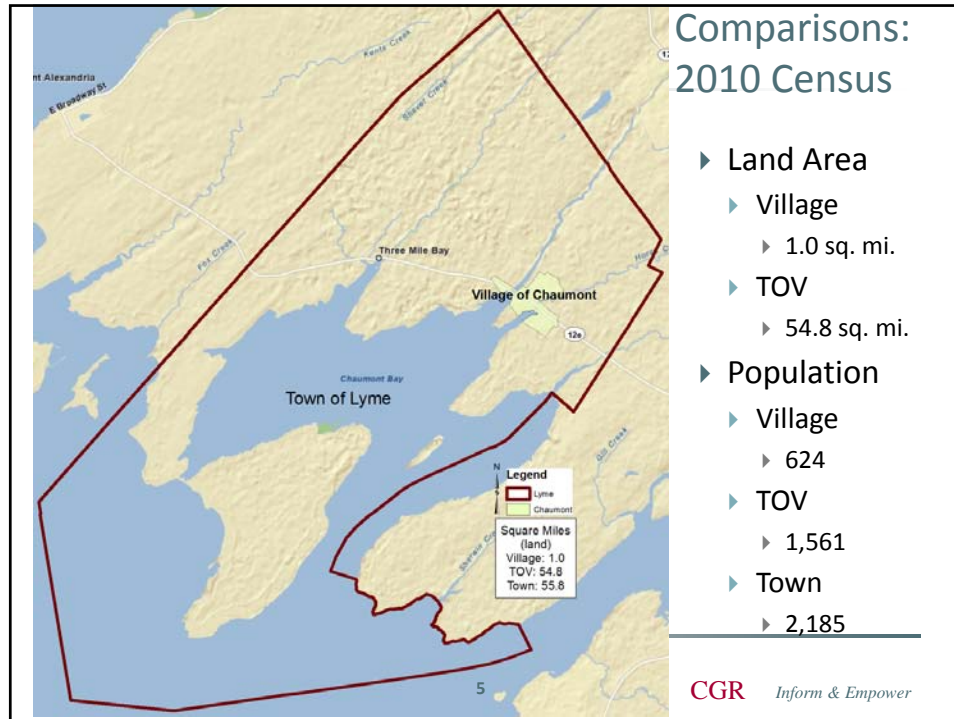
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Study Background and Objectives

- ▶ Village Board initiated study; received State grant
- ▶ In 2011, hired CGR to assist Committee
- ▶ Committee charge – develop Dissolution Study and Plan
 - ▶ Tonight: What Exists & Draft Recommendations
 - ▶ June 20 Public Meeting: Proposed Dissolution Plan
- ▶ If Village Board endorses Plan and sets date for vote, Chaumont voters decide whether to dissolve Village
 - ▶ Per NY law, only registered voters in Village could vote

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Study Process: 3 Parts

- ▶ Part One: What Exists
 - ▶ Financial overview – Village and Town
 - ▶ How services are currently delivered
- ▶ Part Two: Options for the Future
 - ▶ Committee draft recommendations
 - ▶ Projected impact, based on current budgets
- ▶ Part Three: Dissolution Plan (General Municipal Law 17-A)
 - ▶ Developed after your input on proposed options

Study Process: Important Concepts (1)

- ▶ TOV = Town outside Village
- ▶ The Town of Lyme = the area in the Village + the TOV
- ▶ Study Fiscal Year = Village 2011-12, Town 2012
- ▶ Property Tax Levy = amount raised by property taxes
- ▶ Taxable Assessed Value (TAV) = the value of property that the property taxes are collected from. Excludes tax exempt properties
- ▶ Property Tax Rate =
$$\frac{\text{Property Tax Levy}}{\text{TAV}} \times 1,000$$

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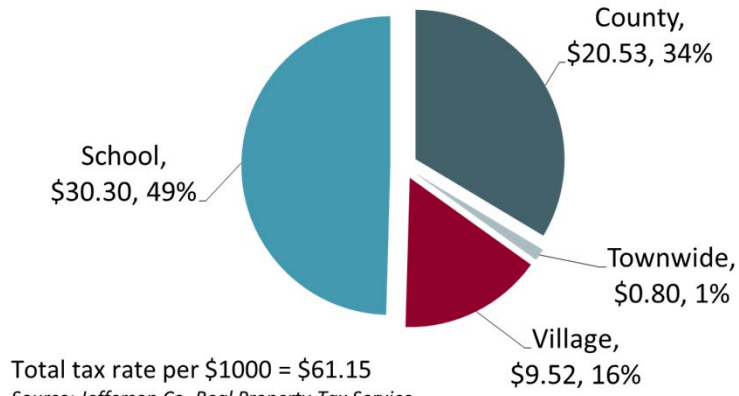
Study Process: Important Concepts (2)

- ▶ Cost savings = money saved due to reducing expenses
- ▶ Cost shift = expenses remain, but who pays changes
- ▶ Special taxing district = a way to collect taxes applied to sub-geographic areas
 - ▶ Is a taxing mechanism, not a governing body
 - ▶ Examples: Lyme fire protection and TMB lighting districts
- ▶ Citizen Empowerment Tax Credit (CETC) = annual incentive from NYS for consolidating governments
 - ▶ Formula = 15% of combined tax levies when consolidate
- ▶ New Town = single government if Village dissolves

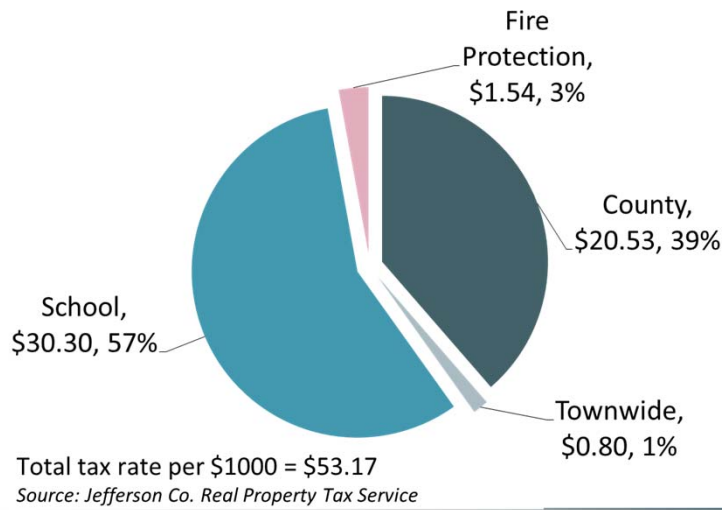
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What Exists: Village of Chaumont Tax Breakdown



What Exists: TOV Tax Breakdown



What Exists: Current Budgets & Tax Levies

- ▶ Village
 - ▶ Budget = \$596,650
 - ▶ Property Tax Levy = \$115,450
- ▶ Town
 - ▶ Budget = \$2.2 million
 - ▶ Property Tax Levy = \$249,420
 - ▶ Townwide (general and highway) = \$89,600
 - ▶ TOV (general and highway) = \$0
 - ▶ Lyme fire protection = \$154,000
 - ▶ Three Mile Bay lighting = \$5,820

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What Exists: Key Factors Affecting Tax Levies

1. Taxable assessed valuation (TAV) of property
 - ▶ Town = \$111.5 million
 - ▶ Village = \$12.1 million (11%)
 - ▶ TOV = \$99.4 million (89%)
2. Sales tax distribution by County
 - ▶ Village = \$ 111,000 (19% *V. budgeted revenues*)
 - ▶ Town = \$970,000 (44% *T. budgeted revenues*)
3. Appropriated fund balance (general and highway)
 - ▶ Town = \$375,000
 - ▶ Village = \$0

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What Exists: Fund Balances

Fund Balances		
	Fund/Purpose	Fund Balance
Village of Chaumont As of 5/31/11	General Fund	\$58,936
	Water Fund	\$17,958
	Sewer Fund	\$28,897
	Total	\$105,791
Town of Lyme As of 12/31/11	General Fund (A & B)	\$565,295
	Highway (DA & DB)	\$292,859
	Water Funds (All)	\$99,861
	All Other	\$19,159
	Total	\$977,174

Source: Village and Town

What Exists: All Debt Is for Water / Sewer

Outstanding Debt on 12-31-11		
	Purpose	Principal Outstanding
Chaumont	Water Fund	\$88,000
	Sewer Fund	\$1,768,000
	Total	\$1,856,000
Lyme	Water District #1	\$44,000
	Water District #2	\$423,300
	Water District #4	\$89,800
	Water District #5	\$350,000
	Total	\$907,100

What Exists: Current Staffing

- ▶ Village
 - ▶ 2 FT – clerk-treasurer; DPW employee
 - ▶ 2 PT – laborer, code enforcement officer
 - ▶ 5 PT Board – mayor, 4 trustees

- ▶ Town
 - ▶ 10 FT – clerk, highway supt., 7 highway staff, transfer site supt.
 - ▶ 14 PT – 5 transfer site, 2 justices, 3 assessors, dep. clerk, code enforcement officer, tax collector, policeman (*vacant*)
 - ▶ 5 PT Board – supervisor, 4 councilmen

Excludes appointed boards, seasonal hires, very PT Town positions

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What Exists: Recent Key Operational Changes

- ▶ Village Sewer – operation and maintenance services outsourced (*August, 2011*)
- ▶ Village Refuse – pickup outsourced (*late 2011*)
- ▶ Transfer Station Permit Fees – now part of Townwide taxes (*2012*)
- ▶ Village Radio Read Equipment – new annual water debt of \$6,000 from water user revenues (*late 2011 purchase*)
- ▶ Village in NYS Retirement System – contribute for 3 employees for first time (*early 2012*)

Committee assumption: all recent operational changes to be built into New Town model

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What Exists: Services Now Consolidated in Town

- ▶ Assessment
- ▶ Court
- ▶ Public Health
- ▶ Economic Opportunity
- ▶ Transfer Site
- ▶ Police
 - ▶ Village does contribute directly to personnel cost

Committee did not need to consider alternatives for above

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Options: Committee Focus

- ▶ Village services and special contributions
- ▶ Fire protection /emergency response Townwide
- ▶ Creation of special districts if Village dissolves
- ▶ Impact of health care costs
 - ▶ Higher in Town than Village
- ▶ Impact of Town collective bargaining agreement
 - ▶ Highway union contract has required wage scale; affects transfer of Village DPW staff to Town
- ▶ Wage changes impact employer cost for benefits

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Options: Committee Draft Recommendations and Projected Cost Savings / Increases (1)

▶ Legislative

- ▶ Eliminate mayor and board positions *(save \$12,918)*
- ▶ Eliminate Village election costs *(save \$300)*
- ▶ Eliminate Village municipal dues to NYCOM *(save \$800)*
- ▶ Eliminate Village attorney contractual costs *(save \$5,000)*

▶ Administrative *(2-part recommendation)*

1. Have Village Clerk-Treasurer join Town staff fulltime as assistant to the supervisor (excludes utility billing costs)
2. Eliminate Town 2nd deputy Town clerk position *(cost increase: \$535)*

Options: Committee Draft Recommendations (2)

▶ Recreation

- ▶ Have Town assume responsibility for Village recreational programs at Chaumont Beach and courts

(no change in overall costs)

▶ Code enforcement *(2 parts)*

1. Have 1 Townwide code enforcement officer; pay 50% of amount budgeted by Village for additional duties
2. Have 1 Planning Board and 1 Zoning Board *(note: this could be explored even if Village does not dissolve)*

(net cost savings: \$3,570)

Options: Committee Draft Recommendations (3)

- ▶ Village DPW Services (*2 parts – excludes refuse, water, sewer services, since addressed separately*)
 1. Transfer FT employee to Town
 2. Eliminate PT laborer

(cost savings: \$10,700)
- ▶ Garbage, Brush and Recycling Services
 - ▶ Create a special refuse district to provide Village residents the services they currently receive, with Chaumont taxpayers charged for this service

(cost increase: \$1,030)

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Options: Committee Draft Recommendations (4)

- ▶ Animal Control
 - ▶ Eliminate Village cost *(cost savings \$600)*
- ▶ Fire Protection and Emergency Response (*2 parts*)
 1. Expand Lyme fire protection district to include Village
 2. Keep Town ambulance costs same; reallocate Village fire service expense as “first responder” cost

(no change in total costs or in allocations to fire depts.)
- ▶ Special Contributions
 - ▶ Make Village / TOV library contributions a Townwide cost; drop Village other contributions *(cost savings \$300)*

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Options: Example #1 of Impact of Cost Shift

Fire & Emergency Response – Current Cost to Taxpayers		
Service	Village Tax Rate	Town Tax Rate
Current Fire Protection	\$1.24/\$1,000	\$1.54/\$1,000
Current Fuel	\$.05/\$1,000	\$.05/\$1,000
Current Ambulance	\$.31/\$1,000	\$.31/\$1,000
Current Fire & Emergency Response combined	\$1.60/\$1,000	\$1.90/\$1,000

Fire & Emergency Response – Projected Cost to Taxpayers	
Service	Townwide Tax Rate
Fire Protection	\$1.37/\$1,000
Fuel	\$.05/\$1,000
Ambulance (paid to Three Mile Bay F.D.)	\$.31/\$1,000
First Responder (paid to Chaumont F.D.)	\$.13/\$1,000
Fire & Emergency Response combined	\$1.87/\$1,000

Source: CGR calculation

Options: Example #2 of Impact of Cost Shift

Making all contributions to the Library a Townwide cost would equate to a tax of \$0.12 per \$1,000 for all taxpayers, per chart.

Impact of Transferring Village Library Contribution Townwide			
Recipient	Village 2011-12 Contribution	Village Tax Rate 2011-12	Projected Townwide Tax Rate
Library	\$2,500	\$.21/\$1,000	\$.02/\$1,000

Impact of Transferring TOV Library Contribution Townwide			
Recipient	TOV 2012 Contribution	TOV 2012 Tax Rate	Projected Townwide Tax Rate
Library	\$11,248	\$.11/\$1,000	\$.10/\$1,000

Options: What Drives Cost Shifts?

- ▶ If the Village dissolves and the Town provides services to Chaumont, costs not paid by special district fees would be spread over entire Town Taxable Assessed Valuation (TAV)
- ▶ Thus, for each \$1 of expenditures now paid by Village property tax, if the Village dissolves, Chaumont property owners would only pay \$.11
 - ▶ \$.89 would be shifted to TOV taxpayers
- ▶ The shift also works the other way – former Village property owners would pick up \$.11 of TOV costs

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Options: Dissolution Other Considerations

- ▶ Village Property
 - ▶ Recommend transfer of Village property and equipment at no cost so Town can provide services in Chaumont
- ▶ Revenue Impact on “New Town”
 - ▶ Dissolution would result in loss of Village utilities gross receipt tax (UGRT) revenue (loss = \$5,000)
 - ▶ New Town eligible for \$30,757 **ongoing annual CETC grant** from the State, based on current budgets
 - ▶ **New money** subject to annual State budget appropriation

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Options: Impact on Chaumont Water Users

- ▶ If Village dissolves, NY law requires special district – Chaumont Water District (Town Water District #6)
- ▶ Committee analysis: if Village dissolves, current user fees cover about 88% of projected expenses
 - ▶ Factor #1: new debt for radio read equipment
 - ▶ Factor #2: as Town union employee, former FT DPW employee cost estimated \$10,575 additional

Note: Even without dissolution, Village water charges will likely increase in the future, per Village officials. Timing of any increase is TBD.

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Options: Impact on Chaumont Sewer Users

- ▶ If Village dissolves, NY law requires special district – Chaumont Sewer District
- ▶ Current user fees, even with 2011-12 sewer rate increase, do not cover expenses
 - ▶ Village appropriated \$17,000 from sewer fund balance in current FY and used \$1,000 in contingency funds
 - ▶ Need exists to grow the small sewer fund to pay for future capital improvement costs, which are TBD

Note: Dissolution would have no significant impact on sewer expenses, since operation/maintenance outsourced, but with or without dissolution Village sewer charges will increase in the future, at a time TBD.

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Options: New Town Property Tax Projections

- ▶ Committee property tax projections based on:
 - ▶ Village 2011-12 and Town 2012 budgets
 - ▶ *Thus, same fund balance appropriation assumed*
 - ▶ Committee draft recommendations
 - ▶ Assumption that key recent operational changes continue
- ▶ Projections are shown with / without CETC
 - ▶ Based on current combined tax levies, but Town special districts (fire protection, TMB lighting) excluded
 - ▶ Minimum of 70% must be applied as tax reduction
 - ▶ For study assumed 100% of CETC applied to reduce taxes
 - ▶ CETC equates to \$0.28 per \$1,000 – all taxpayers

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New Town Projected Tax Rates

Impact of Operational Changes and Village Dissolution New Town Projected Tax Rates per \$1,000 Assessed Value		
	Former Village	Former TOV
Townwide*	\$1.44	\$1.44
Chaumont Street Lighting District	\$1.03	-
Chaumont Refuse District	\$1.72	-
Lyme Fire Protection	\$1.37	\$1.37
Total (without CETC)	\$5.56	\$2.81
Impact of CETC	-\$0.28	-\$0.28
TOTAL (with CETC)	\$5.29	\$2.53

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Projections for New Town Compared to Current

Summary of Projected of Tax Rates for New Town (Compared to Current) per \$1,000 Assessed Value		
	Former Village	Former TOV
Current	\$10.32	\$2.34
Dissolution (w/o CETC) <i>% change from Current</i>	\$5.56 -46%	\$2.81 20%
Dissolution (w/CETC) <i>% change from Current</i>	\$5.29 -49%	\$2.53 8%

Note: \$1.68/\$1,000 for TMB street lighting additional

Chaumont Property Assessed at \$50,000

Chaumont Property Assessed at \$50,000 (Figures do not include water and sewer user fees)	
Current Tax Bill for Village	\$516
<i>Village</i>	\$476
<i>Townwide</i>	\$40
Projected Tax Bill without CETC	\$278
<i>Townwide</i>	\$72
<i>Chaumont Street Lighting</i>	\$52
<i>Refuse District</i>	\$86
<i>Lyme Fire Protection</i>	\$68
Projected Tax Bill with CETC	\$264

TOV Property Assessed at \$50,000

TOV Property Assessed at \$50,000 (Figures do not include water user fees)	
Current Tax Bill for TOV	\$117
<i>Townwide</i>	\$40
<i>Lyme Fire Protection</i>	\$77
Projected Tax Bill without CETC	\$140
<i>Townwide</i>	\$72
<i>Lyme Fire Protection</i>	\$68
Projected Tax Bill with CETC	\$127

TOV taxpayers in TMB pay additional \$84 for street lighting service

Next Steps and Timeline

- ▶ Public comment on recommendations due: **by June 1**
 - ▶ Q &A tonight
 - ▶ Comment sheet (*various ways to respond*)
- ▶ Committee develops Draft Dissolution Plan
- ▶ Plan presented: **June 20**, 7 p.m., Chaumont Fire Hall
- ▶ Committee sends Final Report to Village Board **by July 3**
- ▶ If the Board decides to hold a vote, the Board will hold a public hearing on the Plan: **about August 21**
- ▶ Public vote: would then be held **November 6, 2012**

Feedback to the Committee

Questions / Comments / Requests for Information

The Dissolution Study Website is:

www.cgr.org/chaumont

Optional Slides

- ▶ Recent Examples Village Dissolution Votes
- ▶ What is in a Dissolution Plan

Examples of Recent Dissolution Studies

- ▶ Close in population to Chaumont and Lyme
 - ▶ Village of Altmar. Voted to dissolve 12/11
 - ▶ Village pop. – 407, Town pop. – 2,073
 - ▶ Village of Edwards. Voted to dissolve 3/11
 - ▶ Village pop. – 439, Town pop. – 1,156
 - ▶ Village Candor. Voted not to dissolve 11/10
 - ▶ Village pop. – 851, Town pop. – 5,305
 - ▶ Village of Perrysburg. Voted to dissolve 3/10
 - ▶ Village pop. – 401, Town pop. – 1,626
 - ▶ Village of Port Henry. Voted not to dissolve 3/10
 - ▶ Village pop. – 1,194, Town pop. – 4,798

Learn more: http://www.cgr.org/research_shared.aspx

What is in a Dissolution Plan in General?

- ▶ The Plan must address 14 specific points (GML 17-A)
- ▶ The Plan states what will happen to Village assets, facilities, equipment, debt and employees
- ▶ The Plan states what will happen to current Village services
- ▶ The Plan states what will happen to current Village laws, codes and ordinances and how they will be enforced
- ▶ The Plan makes financial projections for Village and TOV taxpayers, and **projected** tax rates compared to **current** tax rates