

Descriptive Summary of the Dissolution Plan for the Village of Chaumont

**Prepared for the
Village Board of Chaumont, New York**

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Dissolution Plan Developed by Study Committee

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

What is in the Dissolution Plan?

- ▶ The Plan addresses 14 specific points (NY General Municipal Law 17-A)
- ▶ 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, and **projects** tax rates vs. **current** tax rates
 - ▶ Based on fiscal year used in study
 - ▶ If Village dissolves, effective date: Jan. 1, 2014

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Key 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 =
$$\frac{\text{Property Tax Levy}}{\text{TAV}} \times 1,000$$

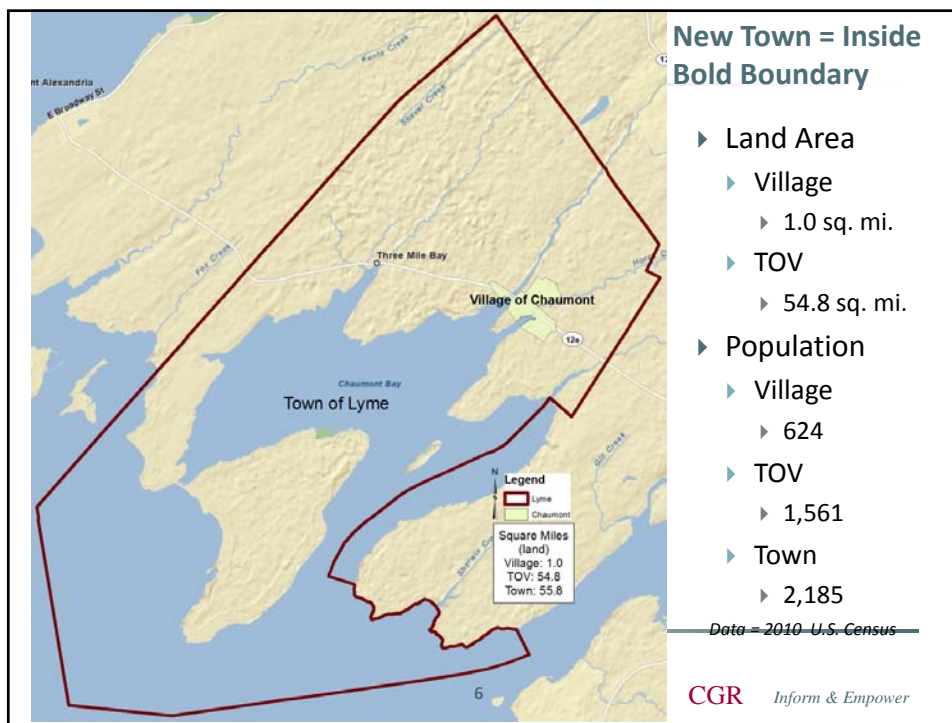
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Key Concepts (2)

- ▶ 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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Chaumont Plan: Village Employees (1)

- ▶ Mayor & Board positions eliminated (*estimated savings = \$12,900*)
- ▶ Village Clerk-Treasurer transfers to Town as assistant to supervisor; Town drops 2nd deputy Town Clerk position (*estimated cost increase for clerk duties unrelated to water/sewer billing = \$525*)
- ▶ FT Village DPW employee transfers to Town, where higher union wage and health benefits now apply
 - ▶ *Estimated cost increase = \$21,150 with 50% absorbed by special districts in Chaumont*
- ▶ PT DPW position eliminated (*est. savings = \$20,250*)

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Chaumont Plan: Village Employees (2)

- ▶ Village PT code enforcement officer position eliminated; Town PT code enforcement officer assumes duties, receiving 50% of amount budgeted by Village for assuming more work (*estimated savings = \$1,900*)
- ▶ Village Planning & Zoning Boards eliminated (*estimated savings = \$1,670*)
- ▶ Village recreation staff positions become Town recreation staff positions (*estimated change = \$0*)

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Plan: Village Services That Transfer to Town

- ▶ **CHARGED TO ALL TOWN TAXPAYERS** (UNLESS EXEMPT)
 - ▶ Street maintenance
 - ▶ Snow plowing
 - ▶ Park maintenance
 - ▶ Mowing
 - ▶ Grounds keeping
 - ▶ Weed control
 - ▶ Tennis court and beach maintenance
 - ▶ Recreation
 - ▶ Police (*Town responsible now, but Village pays portion*)

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Plan: Village Water Services Maintained

- ▶ **CHARGED TO CHAUMONT RESIDENTS AS USER FEES**
 - ▶ Town to establish Chaumont Water District
 - ▶ Boundaries of district = boundaries of Chaumont
 - ▶ Costs for this service are included in water bills
 - ▶ Existing Village water debt included in water bills
 - ▶ Projection if Village dissolves:
 - Current user fees will cover 88% of projected expenses
 - Due to several factors, but one due to dissolution – employee(s) providing services will be Town staff
 - ▶ Per Village Board: with or without dissolution, Chaumont water bills will go up in future – at time TBD

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Plan: Village Sewer Services Maintained

- ▶ CHARGED TO CHAUMONT RESIDENTS AS USER FEES
 - ▶ Town to establish Chaumont Sewer District
 - ▶ Boundaries of district = boundaries of Chaumont
 - ▶ Costs for this service are included in sewer bills
 - ▶ Existing Village sewer debt included on sewer bills
 - ▶ Sewer operation and maintenance continue to be outsourced as they are today to DANC
 - ▶ Dissolution would have no significant impact on sewer expenses – since services outsourced
 - ▶ Separate from dissolution, should grow sewer fund to meet infrastructure needs. Likely increase in fees, timing TBD.

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Plan: Village Refuse Services Maintained

- ▶ CHARGED TO CHAUMONT TAXPAYERS AS A SEPARATE DISTRICT CHARGE ON ANNUAL TOWN TAX BILL
 - ▶ Town to establish Chaumont Refuse District
 - ▶ Boundaries of district = boundaries of Chaumont
 - ▶ Plan assumptions:
 - ▶ Garbage/recycling/brush pickup continue
 - ▶ Plan assumes current delivery; but Town responsible for deciding how to deliver services cost effectively
 - ▶ Projection: If Village dissolves, cost about \$1,000 above current, due to Town union scale / benefits
 - ▶ Projected tax rate: \$1.72 per \$1,000

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Plan: Village Street Lighting Maintained

- ▶ CHARGED TO CHAUMONT TAXPAYERS AS A SEPARATE DISTRICT CHARGE ON ANNUAL TOWN TAX BILL
 - ▶ Town to establish Chaumont Street Lighting District
 - ▶ Boundaries of district = boundaries of Chaumont
 - ▶ Service is outsourced
 - ▶ Thus, no change in cost due to dissolution
 - ▶ Projected tax rate:
 - ▶ \$1.03 per \$1,000

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Plan: Fire / EMS To Be 100% Town Responsibility

CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Lyme Fire Protection District expands to include Village
 - ▶ Projected tax rate: \$1.37 per \$1,000
 - ▶ Covers Town contracts with Chaumont / Three Mile Bay FDs
 - ▶ To provide fire protection services Townwide
- ▶ Fuel costs for each FD budgeted by Town
- ▶ Three Mile Bay FD: plus \$35,000 for ambulance service
- ▶ Chaumont FD: plus \$15,000 for EMS first responder
 - ▶ Fuel, ambulance, first responder costs – part of Townwide tax

There is no change in overall amount budgeted for fire / EMS services Townwide but cost shifts involved

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Explanation: Fire / EMS Cost Shift (1)

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

Explanation: What Drives a Cost Shift (2)

- ▶ 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

Plan: Other Services Provided 100% by Town

CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Municipal legal services (*save \$5,000 budgeted by Village*)
- ▶ Elections (*save \$300 budgeted for Village elections*)
- ▶ Animal control (*save \$600 budgeted by Village*)
- ▶ Library contribution (Village \$2,500 transfers to Town, with no reduction in Town support (*no change in total amount contributed Townwide to Library*))
- ▶ Other special contributions/dues (*no longer budget \$300 for Garden Club and Lyme Light; save \$800 budgeted for Village municipal dues to NYCOM*)

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Plan: Services Already Provided 100% by Town

ALREADY CHARGED TO ALL TOWN TAXPAYERS (UNLESS EXEMPT)

- ▶ Court
- ▶ Assessor
- ▶ Transfer Site
- ▶ Public Health
- ▶ Economic Opportunity
- ▶ Cemetery

None of above services are impacted by dissolution

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Plan: Village Liabilities and Debts

- ▶ Liabilities – none known
- ▶ Debts = \$1.86 million as of 12/31/12
 - ▶ Sewer Fund debt = \$1,768,000
 - ▶ For treatment plant / sewer lines – paid off in 2032
 - ▶ Water Fund debt = \$88,000
 - ▶ \$34,000 for repairs to water tower – paid off in 2018
 - ▶ \$54,000 for radio read equipment – paid off in 2021
 - ▶ Sewer debt charged to customers on sewer bills
 - ▶ Water debt charged to Chaumont customers on water bills

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Plan: Village Fund Balances

- ▶ Village fund balances remaining upon effective date of dissolution transfer as follow:
 - ▶ Sewer fund transfers to the Chaumont Sewer District fund and will be managed by the Town
 - ▶ Amount as of 5/31/12 = \$12,224
 - ▶ Water fund transfers to the Chaumont Water District and will be managed by the Town
 - ▶ Amount as of 5/31/12 = \$48,867
 - ▶ Village general fund transfers to the Town to be managed by the Town
 - ▶ Amount as of 5/31/12 = \$46,681

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Plan: Property / Equipment Transfer to Town

- ▶ Total assessed value of all Village property = \$371,600
 - ▶ \$217,000 for Chaumont water / sewer properties
 - ▶ \$73,000 for parks
 - ▶ \$65,600 for recreation property
 - ▶ \$16,000 for miscellaneous other
- ▶ Upon dissolution, property transfers to the Town
- ▶ Equipment also transfers to Town
 - ▶ '85 tractor; '98 Ford Ranger; '98 trash pump; '01 Ford F150; two mowers ('02, '09); numerous generators (all '02)
- ▶ Personal property (e.g., furniture, tools) also become the property of the Town

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Plan: Village Doesn't Own Other Property

- ▶ Lyme Municipal Building is owned by the Town
- ▶ Chaumont Fire Hall is owned by nonprofit, independent Chaumont Volunteer F.D.
 - ▶ All fire apparatus used for fire protection services in the Village – owned by the Chaumont F.D.
- ▶ Street light poles, fixtures, etc. are owned / operated by National Grid
 - ▶ Village pays rental costs as part of its street light bill

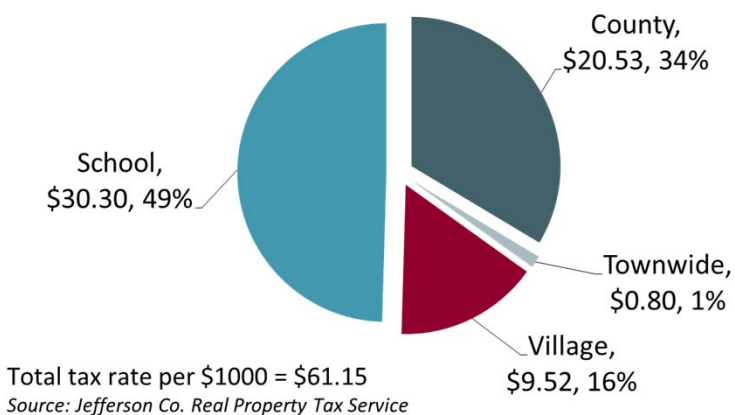
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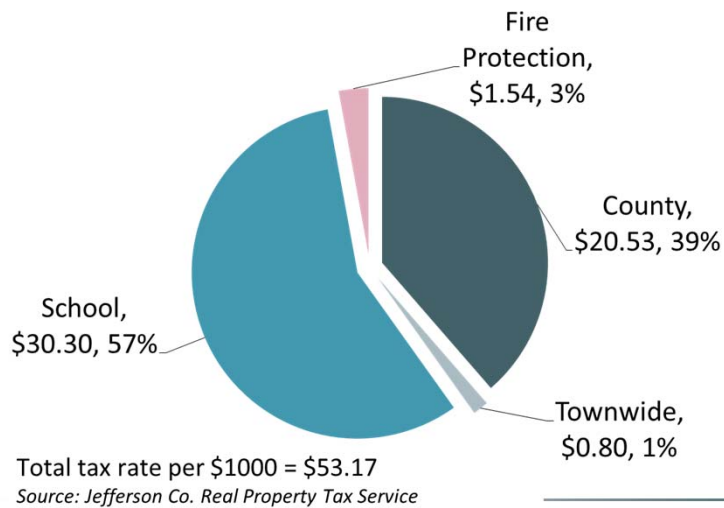
Plan: Village Laws and Ordinances

- ▶ Plan identifies 36 Village laws and ordinances
 - ▶ 13 would not become Town laws – no longer applicable
 - ▶ 15 to be rewritten as Town laws, following Town review
 - ▶ 8 – Town currently has a similar law and provisions of Village Law may only need to be incorporated
- ▶ Except for 13 that aren't applicable, Village laws remain in effect for 2 years and enforced by Town
 - ▶ Except Town has the power to amend or repeal at any time in same manner as for Town laws/ordinances

Fiscal Overview: Village 2012 FY Tax Breakdown



Fiscal Overview: TOV 2012 FY Tax Breakdown



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Fiscal Overview: 2012 FY 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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Fiscal Overview: 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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Plan: New Town Property Tax Projections

- ▶ Committee property tax projections based on:
 - ▶ Village 2011-12 and Town 2012 budgets
 - ▶ *Thus, same fund balance appropriation assumed*
 - ▶ Assumptions: recent operational changes continue
 - ▶ Examples: outsourcing sewer services and garbage pickup
- ▶ 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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Projections: Dissolution Other Matters

- ▶ Revenue Impact on “New Town”
 - ▶ Dissolution would result in loss of Village utilities gross receipt tax (UGRT) revenue (loss = \$5,000)
 - ▶ Note: Chaumont utility customers no longer charged this tax, which equates to about 2% - 4% of electric and phone bills
 - ▶ New Town eligible for \$30,757 **ongoing annual CETC grant** from the State, based on 2012 FY budgets
 - ▶ **New money** subject to annual State budget appropriation

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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 (refers to 2012 fiscal year)	\$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

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Next Steps Timeline

- ▶ Village Board holds official public hearing on the Plan:
Aug. 21 – 7 p.m. Chaumont Fire Hall
- ▶ Village Board 3 options after hearing: amend or approve Plan or end dissolution proceedings
- ▶ Chaumont public vote, if held, will be: **Nov. 6, 2012**
- ▶ If vote affirmative, dissolution takes effect: **Jan. 1, 2014**
- ▶ If referendum fails, dissolution process may not be initiated for same purpose for **4 years** from date of vote
 - ▶ However, dissolution plan / permissive referendum could still occur as result of voter-initiated petition (per NY General Municipal Law 17-A)

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Detailed Information is Available

For More Information

The Dissolution Study Website is:
www.cgr.org/chaumont