

Corinth Shared Services/Dissolution Feasibility Study Committee Meeting

March 10, 2010, 6 pm, Fire Hall

Committee Members Present: Jim Hopkins, Jeff Collura, Ed Byrnes, Renee Baker, Bill Fuller, Dick Lucia, Tim Murphy (Chairman), Melanie Denno, Scott Sprague, Kevin Granger.

Others Present (non-voting): Rose Farr, Andy Kelley, Art Lozier, Shawn Eggleston, Nicole Colson

Consultants: David Liebschutz (CGR), Michael N'dolo (Camoin)

Meeting Called to Order by Mr. Murphy at 6:00 pm.

The minutes from January 11, 2010 meeting were unanimously approved.

Mr. Murphy discussed the scheduling /rescheduling of various meetings and public presentations. He then asked Mr. Liebschutz to discuss the property inventory schedules provided in the docket. Mr. Liebschutz described the two schedules and how the valuations were compiled. The committee discussed the best method of showing current valuation and agreed that the current assessed value should be used where available and absent that, the committee should use 80% of the "replacement cost" value for insurance purposes. Mr. Liebschutz said that the asset inventory would be updated to reflect this and that assets would be grouped by major category and put into the what exists report on the web site.

Mr. Murphy asked Mr. Liebschutz to present the findings of the draft fiscal analysis. Mr. Liebschutz proceeded to describe the results of the fiscal analysis by major category of service. He noted that for each functional area there would be a high, medium and low impact scenario and that these impacts would be on a new theoretical Town budget. For example, a high impact scenario would say that the new Town budget would be much lower than simply combining the existing Village and Town budgets, whereas the low impact scenario would say that the new Town budget would be close to the sum of the two existing budgets.

Village Board Function

The three scenarios presented would all eliminate the current Village Board for a savings of \$47,824.50. Committee member Renee Baker asked if one could really assume that the members of the Town Board will take on all the additional business of the Village at the current compensation levels. A discussion by committee members followed as to whether the Town Board would need to be expanded or if the salary compensation of the Board would change. Mr. N'dolo noted that this line item covered only the legislative/executive functions of government and that the supervision of the former Village services would be done by the respective department heads, treated in later sections of the fiscal analysis. Mr. N'dolo also noted that in past studies of Village dissolutions, there has not been any change to the size of Town Boards or compensation to Town Board members. Mr. Liebschutz noted a similar finding regarding changes to compensation in the various school district consolidations and other types of consolidations done by the Center for Governmental Research.

Mr. Hopkins stated that saving taxes is the key to the entire effort, that it will require reduction in staff. He asserted that it is difficult for committee members to have a frank discussion with the department heads and employees present around the table. Ms. Colson noted that department heads and employees of the Town and Village are serving in a non-voting, advisory capacity to the committee.

Mr. Hopkins then asked if it would be helpful to invite the former Mayor of Ticonderoga to a committee meeting to discuss the process and effects of dissolution on the former Village of Ticonderoga residents. Mr. Byrnes noted that Town Board members would likely not request an increase in compensation upon dissolution.

Clerk/Treasurer Function

The savings from consolidation of this function ranged from \$9,200 to \$48,457.43 (on a base of \$98,314.61). Mr. Liebschutz stated that each of the scenarios represented a range of possible efficiencies that could be achieved by the Town Board and that the committee needed to evaluate each to determine which of the scenarios would be the most reasonable.

Mr. Hopkins asked if the committees should assume that the Town would save all \$98,000 of Village Clerk costs upon dissolution. He felt that it would be up to the Town Board to decide if the current Town staff can handle the extra work.

A long discussion ensued among committee members discussing the merits of showing various levels of cost reductions due to consolidation, whether the committee should attempt to calculate the savings or assume staff reductions and leave it to the Town to handle after dissolution, etc. Ms. Colson described the various tasks that she performs currently that would have to be performed by Town staff members if the Village dissolved. Mr. Byrnes stated that the committee needed to consider staffing needs from both the perspective of the Village and the Town and see what savings were realistic based on the increased workload at the Town to absorb Village functions.

Other General Government Functions

The savings from consolidation of these functions would range from \$46,700 to \$90,431 (on a base of \$179,154). Mr. Sprague noted that the Village Hall savings described would not materialize for several years because the current and former Village Halls could take a long time to be sold.

Crossing Guard Function

The savings from consolidation on this function would range from none to \$18,039 (on a basis of \$18,039). The committee discussed whether the Crossing Guard could be eliminated and generally agreed that the function must continue to exist. The scenarios listed in the fiscal analysis should be modified, so that scenario one showed the costs being held by a special district and scenarios two and three would be transferred and charged as a Townwide expense.

Sheriff Function

The savings estimated from consolidation would be \$301,500 and would either come from full or partial elimination of the service or the creation of a special district. Mr. Sprague raised the issue of how police services would be reduced with the elimination of the sheriff's contract. Ms. Colson

noted that the sheriff patrols were broken into zones with one patrol was assigned to each zone. Mr. Kelley noted that the size of the applicable zone changed depending on the manpower available during the shift in question. There was a discussion on the impact of service reduction if the contract was cancelled with no consensus being reached. Ms. Denno provided a brief history of the police/sheriff situation and offered to provide the committee with copies of the monthly reports by the sheriff of the number of calls/incidents reported in the Village. Mr. Liebschutz pointed out to the committee that the decision on the sheriff's contract was not necessarily tied to the issue of consolidation or dissolution and that it could be done even if there were no change in the structure of the Village.

Fire Department Function

All three scenarios would have the same net impact of the new town budget, but there would be differences in how the \$526,182 would be allocated. There was a lengthy discussion of the difference between a Fire District and a Fire Protection District as well as the current distribution of costs between the Village and TOV residents. Several members of the committee also raised issues of service inside the Village boundaries and in various parts of the Town.

A number of people raised the issue about how assets would be transferred and if there were any difference between a Fire District or Fire Protection District. Mr. N'dolo explained that the Village would transfer the assets directly to the Fire District, however, for a Fire Protection District, the Village would transfer the assets to the Town and the Town would lease the assets to the newly formed "Corinth Fire Corporation" for \$1 in exchange for the corporation's services.

Ms. Denno noted that in the Greenfield Fire District, with a \$1.3 million budget, approximately \$100,000 was directed to administrative functions, which would need to be added to any new Corinth Fire District budget (many of these functions are currently performed by the Village clerk's office).

Building Department Function

Savings ranged from none to \$19,212 (on a base of \$19,212) depending on whether the function was fully covered by the Town with no new employees or not. The committee agreed with the scenario and agreed to think about the level of work that the new combined department would have to undertake.

Highway/DPW Function

The savings for this function was estimated to run from none to \$133,577 (on a base of \$839,498). Mr. Sprague asked if it would be possible to cut full time and part time positions while also reducing overtime. Mr. Lozier said that it would not be possible to reduce any overtime what-so-ever because the overtime was associated with emergency situations (downed trees blocking roads, break in a water main line, nighttime snowstorm). Mr. Eggleston noted that the Town's highway department was at the lowest level of manpower he had known in 24 years of service and that force reductions were not possible. Mr. Liebschutz said that he and Mr. N'dolo would recalculate the scenarios to reflect the fact that overtime would not be able to be saved. The committee generally felt that there would be little to no savings from consolidating the two highway functions even given the differences between wage rates, pay scales and unionization. Most thought that it would end up being a wash.

Street Lighting Function

The savings to the new Town budget would range from none (where Town would absorb 100% of the cost) to total (\$45,800, where there would be a special district created in the area where the former Village was. Mr. Granger raised the issue of what would happen if the Village dissolved and the dissolution plan stipulated that the Town was responsible for street lighting. He asked if the Town could just shut the lights off. Mr. N'dolo noted that, if Village residents formed a special district, the Town would be obligated to provide lighting and charge accordingly. However, if lighting was not part of the special district, it would become a function of the Town and the Town would decide what level of service it would provide, including shutting off the lights.

Sidewalk Function

The savings to the new town budget for snow removal from the sidewalks would range from none (where the town would absorb all of the costs) to total (\$18,000, where the service would either be eliminated or done by a special district). Committee members thought it would be unlikely that current Village residents would want to see the service eliminated.

Miscellaneous Community Services

The savings for these services would range from total (\$47,103, through elimination of some services and the creation of a special district for the parks and beach) to none (where the Town would assume all of the costs). Ms. Colson noted that, while this function group included the beach/parks, it did not include the costs in the DPW function related to mowing, trimming and cleaning of the beach/parks.

Planning/Zoning Function

The savings here would range from total (\$27,336, with full absorption of the function into the Town) to \$6,834 (with some efficiency savings).

Garbage Function

The savings for the Town budget for this function would be the same for all three scenarios, \$162,700. Savings from scenario one would come from elimination of curbside pick-up or charging a fee for it and the savings from scenarios two and three would be from the creation of a special district.

Retiree Benefits Function

The savings for the Town budget would either be none or the full amount (\$47,000, if there were a special district created).

Shared Services

The savings for the town budget for services currently shared would range from none (fully absorbed into the new Town budget) to \$6,060 (through a reduction of 20% of services).

Changes to Employee Cost

The additional cost of transferring current Village employees to the Town would range from none to \$40,000. In the former case, there would be no additional costs of insuring them or paying them at a higher wage rate. In the latter, there would be additional insurance costs to the town from going to a larger group of insured employees (experience rating vs. community rating).

Summary of Savings

At the end of the individual functions, Mr. Liebschutz presented a summary table of the scenarios and described how each of the scenarios led to (a) costs being transferred to the Town, (b) costs being transferred to a special district or fire district, (c) costs being reduced through elimination of services and (d) costs being reduced through efficiency gains. The estimated savings ranged from about \$71,000 to \$900,000, depending on which services would be eliminated or scaled back. Various committee members pointed out that the high end of savings did not seem realistic given the fact that it was unlikely for many of these services to be eliminated.

Mr. N'dolo presented the summary table regarding the impacts of dissolution on the tax bill of a typical homeowner whose house is assessed at \$100,000. Mr. N'dolo explained that there are four categories of homeowners – a Village homeowner, a TOV homeowner, a TOV homeowner who gets Village water and a TOV homeowner who gets both Village water and sewer. He explained that the first column showed the current “local” tax burden (including Town, Village, miscellaneous districts and water/sewer, but does not include County and School). The remaining columns showed how the tax burden would change under each of the scenarios. Estimated savings for current Village residents ranged greatly, from over \$400 to just \$18 on a current tax bill of \$1,135.

AIM

Mr. N'dolo explained that the state of New York currently has a “bonus” of aid to communities in which a Village dissolved. The “Aid and Incentives to Municipalities” (AIM) program is state dollars that both the Town and Village currently receive in the amounts of approximately \$30,000 each. The AIM “bonus” if the Village dissolved would be approximately \$400,000 per year with no end date. However, Mr. N'dolo noted that this “bonus AIM” provision was only recently added into law and the legislature could, in any year, revoke the “bonus AIM” clause. Therefore, the numbers presented showed the impacts of dissolution if the “bonus AIM” continued and if the “bonus AIM” did not continue.

EPCOR

Mr. N'dolo also discussed and presented the February 4, 2010 letter from the Village's legal counsel regarding the EPCOR settlement for property taxes. Under the settlement, the Village currently receives \$738,000. The letter from the attorney stated that the Village's allocation could be assigned by the Village to the Town or by the Village to a newly formed special district. However, the attorney also stated that EPCOR could choose to challenge that assignment, in which case the Village/Town would have to defend the assignment and the final determination of the assignment could only be made by the courts. There was a general discussion among the committee regarding the risk and costs of such a proceeding.

Vice Mayor Denno asked Mr. N'dolo to do another version that would the impact on dissolution if the EPCOR payments could not be assigned to the Town or special district.

Finally, Supervisor Lucia asked about the impact on getting grants if the Village dissolved. There was a discussion on the situation of currently having two municipalities that can independently apply for grants and how it might be affected with only one municipality applying (e.g., how would the Town be effected under the HUD small cities grant?).

Mr. Liebschutz concluded his presentation by telling the Committee that he and Mr. N'dolo would rerun the scenarios based on the Committee's input but that the Committee needed to reflect upon the long discussion and make some choices about where to go with this analysis.

Mr. Murphy thanked Mr. Liebschutz and Mr. N'dolo for their work and adjourned the meeting at 9:00 pm.