

Village of South Dayton Proposed Dissolution Plan - Final

A Blueprint for Governance After Dissolution

May 2026

Prepared for
Village of South Dayton

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Summary

Process

The Village of South Dayton, NY is undergoing a process of developing a dissolution plan based on Article 17-A of the NYS General Municipal Law. On February 11, 2026 the Village Board voted to endorse this dissolution plan which was developed by a Dissolution Study Committee with assistance from a consultant.

A single public hearing of the plan was on March 25, 2026 at 7:00 pm at the South Dayton Fire Station, 34 Maple Street, South Dayton, NY. The Village Board then voted to adopt the plan at its May 13, 2026 meeting. Minor adjustments were made to this document after the public hearing and the May 13 adoption. Those adjustments are outlined on pages 1-2.

The Village will hold a referendum on Tuesday, July 14, 2026 in which registered voters in the Village of South Dayton will vote on the proposed plan. If the results of the referendum are in favor of dissolution, the Village of South Dayton is planned to dissolve effective May 31, 2027. If the referendum fails, the Village will not dissolve, and the dissolution process may not be initiated again for at least four years from the referendum.

Municipal Services

A high-level overview of how the residents of the Village of South Dayton will continue to be furnished municipal services is as follows:

Municipal Service	Dissolution Plan
Governance	The Village Board and position of Mayor will be dissolved. The Town of Dayton Board and Town Supervisor will provide governance for the entire town.
Water & Sewer	The Town of Dayton will create a Water District and Sewer District to be governed by the Town Board. Water and sewer services and the associated water and sewer infrastructure debt will be paid for by users of the systems.
Road & municipal property maintenance	The Town of Dayton will assume responsibility. Current village employees will be considered for Town employment.
Sidewalk maintenance	The Town will create a Sidewalk District to be governed by the Town Board and funded by taxpayers within the boundaries of the Village.
Lighting	The Town will create a Lighting District to be governed by the Town Board and funded by taxpayers within the boundaries of the Village.
Refuse & Yard Waste	The Town will not provide refuse and yard waste services. Village residents will need to seek individual arrangements.
Code enforcement	The Town of Dayton will assume responsibility.
Zoning	The Town will zone the land within the current Village within two years of dissolution.
Clerk/Treasurer	Duties will be split between the Town Clerk Office and a future Water & Sewer District Clerk. Current employees will be considered for the positions.

Municipal Service	Dissolution Plan
Court	Town Justice Court will assume all Village Court Justice duties.
Library, Depot, Ballpark & Gazebo	The Town will assume ownership, operate and maintain these sites consistent with current Village practices.

Creation of Special Districts

A referendum vote in favor of dissolution will be equivalent to a vote in favor forming the necessary special districts (water, sewer, sidewalks, and lighting) specified in the plan.

Property, Staffing & Laws

- All real property, personal property and vehicles owned by the Village at the time of dissolution will transfer to the Town or special district. The Village Board has not indicated its intention to sell any property.
- Any fund balances that remain at the time of dissolution will transfer to the Town.
- The Town will assume all staffing responsibility and most employees will be transferred to the Town with similar titles and responsibilities.
- Village laws without equivalents in Town law will remain in effect for two years following dissolution, during which time the Town will review the laws and either adopt or void them.

Debt

- The water and sewer system debt will be passed to the Town and paid for by the users of the water and sewer system special districts.
- The Village will retire the EPA stormwater improvement and DEC-ZEV charging station revenue anticipation note in June 2026, so that debt will not pass to the Town.

Financial Impact for Village Taxpayers

If the Village dissolves, the property tax burden on Village properties would decrease from a current total Town and Village government tax burden of approximately \$18.40 per thousand dollars to an estimated \$5.00 per thousand, assuming 100% of the Citizen Empowerment Tax Credit is applied to reduce taxes for all Town taxpayers. The estimated post dissolution tax rate would be \$5.40 if the Town only applied the minimum 70% of the CETC.

However, Village residents would see a 33% increase in Water and Sewer fees and secure their own refuse and yard waste services. With those increased costs, the average property receiving water and sewer services would still see an overall savings of about \$100 per year.

This modeling does not take into account other property taxes such as those levied by Cattaraugus County, the school district, or the fire district.

Additional information is available at
www.cgr.org/southdaytonstudy

Acknowledgements

Many thanks to the Village of South Dayton Dissolution Committee (listed in this document) who faithfully participated in committee meetings, reviewed documents and provided key insights on the community. Village Mayor Robert Killock and Town Supervisor Aaron Huber were instrumental in ensuring their respective staffs were available to meet and provide information, which provided valuable assistance throughout the project. Village Clerk Barbara Scott responded to many requests for data and provided valuable assistance.

Staff Team

Paul Bishop directed the project with assistance from Alice Carle and Alina Santiago. Katherine Bell maintained the website for the project.

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Introduction

The Village of South Dayton is undergoing a process of developing a dissolution plan based on Article 17-A of the NYS General Municipal Law. NYS Government Reorganization and Citizen Empowerment Act¹ requires that the Village create a proposed dissolution plan that answers key questions about the impact of the dissolution.

To create this plan, CGR first created an inventory of Village of South Dayton and Town of Dayton services, governance structures and finance to create a **baseline of current operations**.² The baseline report outlines current Village and Town services, government structures, and finances based on data supplied by the Town and Village and on our interviews with key stakeholders. CGR then worked with a Dissolution Study Committee comprised of local representatives to consider key questions about the impact of dissolution including service delivery and finances that are mandated by law to be addressed. The Dissolution Study Committee includes the following individuals:

- Robert Killock, Village Mayor
- Joseph Kortz, Village Trustee
- David Kohler, Town of Dayton Trustee
- Robert Astry, Village Resident

A description of the proposed plan and the process for review and approval or rejection is contained in this report.

Village of South Dayton Dissolution Plan

The following is the proposed dissolution plan for the Village of South Dayton as per the NYS Government Reorganization and Citizen Empowerment Act.³ This document sets forth, in detail, the Dissolution Plan of the Village of South Dayton as developed by the South Dayton Dissolution Committee.

Process & Timing

Initial Endorsement: The draft dissolution plan was developed by the South Dayton Dissolution Committee and presented to Village Board. It was considered and endorsed by the Village Board at its February 11, 2026 meeting.

¹ <https://dos.ny.gov/system/files/documents/2023/01/consolidation-and-dissolution-law.pdf>

² This Baseline of Current Operations Report is available in a separate document on the Village's Dissolution's website at: <https://www.cgr.org/southdaytonstudy/documents/>

³ <https://dos.ny.gov/system/files/documents/2023/01/consolidation-and-dissolution-law.pdf>

Public Hearing: Once endorsed, the Village Board was required to conduct a public hearing about the plan between 35 and 90 days following adoption. A single public hearing was held on March 25, 2026 at 7:00 pm at the South Dayton Fire Station, 34 Maple Street, South Dayton, NY. In response to feedback at this public hearing the following updates were made to this document:

- Identification of the Depot parcel in the list of municipally owned real estate: page 5
- Clarification of statutory limits on the collection of gross utilities tax by NYS towns: page 14
- Impact of both 100% and 70% application of the Citizens Empowerment Tax Credit (CETC): pages 14-16, Summary, and Appendix B.

Village Board Adoption/Rejection: The Village Board had up to 60 days after the public hearing to revise and approve or reject the dissolution plan. The Village Board reviewed the plan with the updates listed below and voted to adopt the revised plan at its meeting on May 13, 2026.

- Updates to the where the Village is in the process as of May 13, 2026: pages 1-2
- Revisions to the estimated costs of dissolution: page 3

Further updates were made to reflect the Village’s plan to retire the EPA stormwater improvement & DEC ZEV charging system revenue anticipation note in June 2026: pp ii, 7, 12.

Public Referendum: Registered voters in the Village of South Dayton will vote on the proposed plan on July 14, 2026. Voting will take place at the South Dayton Village Library – 17 Park Street, South Dayton NY between the hours of 12:00pm and 9:00pm.

If the results of the referendum are in favor of dissolution, the Village of South Dayton is planned to dissolve effective May 31, 2027. The actual dissolution date could be changed by the Village Board to align with community needs. If the referendum fails, the Village will not dissolve, and the dissolution process may not be initiated again for at least four years from the referendum.

An overview of project timing is as follows:

Activity	Date	Days	Timing Requirements
Draft Plan Endorsed by Village Board	February 11, 2026		
Plan Information Released to Public	February 13, 2026	2	No More than 5 Business Days from Endorsement
Notice Published for Public Hearing	March 11, 2026	14	10 to 20 days before hearing
Public Hearing	March 25, 2026	42	35 to 90 days from Endorsement
Village Board voted to adopt Dissolution Plan	May 13, 2026	49	1 to 180 days from Public Hearing
Notice to be published for vote (once per week for 4 weeks)	June 16, 2026	28	minimum of 4 weeks before Referendum Date
Public Referendum to be held	July 14, 2026	62	60 to 90 days after Board adoption

Overview

A. The local government entity to be dissolved shall be the Village of South Dayton, NY

B. The territorial boundaries of the Village of South Dayton are based on the boundaries recorded on the current tax maps of Cattaraugus County. A map is available in Appendix A. The Village of South Dayton is in the Town of Dayton in Cattaraugus County, New York.

C. The type of entity is a village as defined in New York State Village Law.

Estimated Fiscal Cost of Dissolution

D. The fiscal cost of a full dissolution is estimated to be approximately \$62,000.

- Consultant fees to assist the Village in preparing the Plan and related documents and processes: \$30,000
- Auditor fees to assist the Village in conducting a final audit. Estimate \$10,000
- Surveys of village owned real property: Estimate \$10,000 (*assumes 20 properties at \$500 each*)
- Legal fees to assist the Village in researching legal issues. Estimate for all legal services: \$10,000
- Miscellaneous advertisement fees, public referendum fees, etc.: \$2,000

If the Village votes to dissolve, it becomes eligible for a \$50,000 grant (which includes a \$5,000 local match) from New York State to help cover these costs. Under these revised cost estimates, the net cost of a potential dissolution to the local entity is estimated at \$17,000 (the \$5,000 local match plus the remaining \$12,000 not automatically covered by the grant funds).

Plan for Village Employees

E. The plan for the transfer or elimination of current Village of South Dayton employees is shown below.

Position	Plan for Position
Village Mayor	Position will be eliminated. The Town of Dayton Supervisor will absorb responsibilities of executive leadership for the Village geography within their respective town.
Village Board of Trustees	The Village Board of Trustees will dissolve. Local government representation shall be provided by the

Position	Plan for Position
	Town Board. The size of the Town Board will not change.
Water Operator and Wastewater Operator (PT)	Transfer to Town under future Water and Sewer Districts
DPW Lead (PT)	Transfer to Town title and role TBD
DPW Laborer (FT)	Transfer to Town title and role TBD
DTW Laborer (PT)	Transfer to Town title and role TBD
Code Enforcement Officer	Responsibilities transferred to Town. Position TBD.
Village Clerk/ Treasurer (PT)	Position eliminated. Duties split between the Town Clerk's office and a new Clerk position with the new Water and Sewer Districts
Deputy Clerk (PT)	Position eliminated, hours absorbed by Town Clerk
Clerk Assistant (PT)	Transfer to Town
Village Court Justice	Position eliminated; increased Town Court Justice expenses by 50%
Village Court Clerk	Position eliminated; increased Town Court Clerk by 50%
Bailiff	Position eliminated, increase Town budget for role
Dog Control Officer	Transfer to Town
Records Management	Transfer to Town as part of Town Clerk duties
Janitor/Gardener	Transfer to Town

Disposition of Village Property & Fund Balances

Village Property

F. Unless otherwise sold or transferred to a special district or service provider, all real property improved or not improved will become the property of the Town of Dayton.

The Village of South Dayton may choose to sell any property (real estate, personal or business property) prior to dissolution of the Village at fair market value. **The Village Board has not indicated its intention to sell any property. Rather, the Village will transfer property to the Town and the appropriate districts.** For example, water and sewer facilities will be assigned to the Town of Dayton's new Water District and Sewer District.

The Town will take title to the Village real property with the understanding that the Town will honor all existing agreements or other arrangements between the Village and other users of Village property. Real property transferred to the Town will be done without consideration and the Town will, at their option, prepare any and all deeds for the Village to execute prior to the date of dissolution.

Municipally Owned Real Estate

Parcel ID	Loc Name	Description	Comments	Estimated Value
33.042-1-2.2	Dredge Rd	311 - Res Vac Land	Plant Frontage	\$19,800
33.033-1-7.5	Oaks Rd	311 - Res Vac Land	DPW	\$18,900
33.034-1-10.2	First St	311 - Res Vac Land	Turn Around	\$6,000
33.034-1-10.3	Maple St (Off)	311 - Res Vac Land	Pump Station	\$5,600
33.034-3-4	Park St	312 - Vac w/ imprv	Park/Gazebo	\$11,000
33.041-1-7	First Ave	312 - Vac w/ imprv	Nestle	\$12,500
33.042-1-3.2	Pine St	314 - Rur Vac Land <10	DPW	\$20,100
33.041-1-1.3	Mill St	330 - Vac Comm	Water	\$15,800
33.041-1-6	First Ave	330 - Vac Comm	Water/Nestle	\$5,700
33.034-3-21.3	Mill St	330 - Vac Comm	Turn Around	\$600
33.034-1-11.2	Pine St	652 - Govt Bldg	Depot	\$35,600
33.033-1-7.3	547 Pine St	440 - Distribution FcIt	DPW	\$118,000
33.033-5-27	17 Park St	652 - Govt Bldg	Office	\$95,000
33.041-1-5	50 First Ave	710 - Manufactured	Nestle	\$213,400
630.001-9916-999.988/288	W of Railroad	744 - Petro Pipeline	Petro Pipeline	\$20,000
33.025-1-29	Main St	822 - Water Supply	Water Tank	\$495,000
33.042-1-1.3	Mill St	822 - Water Supply	Well	\$50,000
33.034-1-9	First St	963 - Munic Park	Park/Playground	\$31,600
33.002-1-182	Mill St	314- Rur Vac Land <10	Sewer Plant	\$15,800
24.004-1-17	White Rd (5.05 Acres)	314-Rur Vac Land <10	Village Dump*	\$31,600

*Village property located within the Town of Dayton

Village Assets with values over \$500

Unless otherwise sold all assets improved or not improved will become the property of the Town of Dayton. It is the intention of the Village Board to transfer all assets that the Town deems necessary to continue to provide appropriate services.

Category	Village Assets with values over \$500	Estimated Value
DPW	2020 Ford F250 pick-up truck	\$23,950
DPW	Snow Dogg straight plow - for Ford	\$3,500
DPW	2021 Bee Wise dump trailer	\$10,500
DPW	2013 Dodge RAM 3500 flat bed truck	\$14,470
DPW	Snow Dogg "V" plow - for Dodge	\$4,750
DPW	2005 Sterling dump & sander truck	\$25,000
DPW	Viking front plow for Sterling	included in truck value
DPW	Viking wing plow for Sterling	included in truck value
DPW	Hi-Way box sander for Sterling	included in truck value
DPW	2023 Kioti tractor	\$32,250
DPW	Lift forks for Kioti tractor	\$500
DPW	Lift cage (Man Basket) for Kioti tractor	\$600
DPW	2025 Del Morino flail mower - for Kioti tractor	\$4,500
DPW	2023 Kioti front loader / bucket	included in tractor value
DPW	2023 Kioti mid-PTO undercarriage mount	included in tractor value
DPW	2024 Kioti snowblower	\$7,150
DPW	Fam Force box blade (3 point hitch)	\$1,100
DPW	York broom (PTO driven) = POOR Cond.	\$850
DPW	York rake (3 point hitch)	\$850
DPW	Rotor tiller (PTO driven)	\$1,500
DPW	Brush Hog mower (PTO driven)	\$900
DPW	2008 Grass hopper lawn mower; zero turn	\$7,100
DPW	2021 Grasshopper lawn mower; zero turn	\$14,963
DPW	2017 John Deere tractor w/ backhoe & loader bucket	\$64,500
DPW	1984 Ford F700 street sweeper	\$3,000
DPW	Wacker trash pump	\$1,425
DPW	Shark/ Honda pressure washer	\$4,600
DPW	Mueller pipe drilling & tapping machine - for iron	\$1,600
DPW	Mueller pipe drilling machine - for plastic	\$800
Office	12/24 Johnson Controls Furnace	\$11,000
Library	3 Miniform Mini Pc NAB9 Plus @ \$500 each	\$1,500
Depot	Robert Redford Ticket Window	\$500+

Village Assets with Values Less than \$500

Personal property with values of less than \$500 owned by the Village at the time of dissolution will become the property of the Town of Dayton. Personal property will mean and include office equipment, library equipment, furniture, tools, parts inventory, and any other items commonly considered to be personal property.

Fund Balances

The Village does not have significant fund balances. Any fund balances that remain on the effective date of dissolution would transfer to the Town of Dayton. Any funds, including grant funds, with a designated purpose such as the Library, Playground or Depot will be transferred to the Town and the Town will retain their designated purpose.

Village Liabilities and Indebtedness

G. The Village of South Dayton liabilities and indebtedness are as follows:

Liabilities

The Village of South Dayton's has no known liabilities and there are no lawsuits or proceedings against the Village.

Debt

The Village reports a debt of approximately \$1.95 million for the water system to be paid off over 38 years and approximately \$800,000 for the sewer system to be paid off over 39 years, both at 0% interest. The Village is waiting for NYS and the Environmental Facilities Corporation (EFC) to finalize funding. This debt will remain the responsibility of the relevant districts.

The Village will retire the EPA stormwater improvements and DEC-ZEV charging station revenue anticipation note of \$709,750 in June 2026, so that debt will not pass to the Town.

Agreements to Carry Out Dissolution

H. To put this plan into action as outlined the Town will carry out the creation of four new districts. This Plan was developed by the Dissolution Committee with the best interest of all residents in the Village and Town outside of Village in mind. The Committee anticipates that if dissolution of the Village is ultimately approved by the South Dayton Village Board and voters, that the succeeding Town government will provide for and comply with the Plan set forth in this document.

The Dissolution Committee recognizes the Plan could be impacted by unforeseen circumstances occurring at the time of dissolution. Thus, this document is a plan, not a guarantee. However, representatives on the Committee endorse this Dissolution Plan, which was developed in good faith and with the input of all members of the Committee.

The following agreements will be developed in order to continue services considered valuable by the residents of the Village:

- Water District
- Sewer District
- Sidewalk District to maintain sidewalks within the Village
- Lighting District to maintain lighting within the Village

A vote in favor of dissolution will be considered the same as creating these districts to continue to service to residents of the Village.

Continuation of Village Functions and Services

I. The manner and means by which the residents of the Village of South Dayton will continue to be furnished municipal services following the Village's dissolution is as follows. Unless otherwise noted, the funding for services will be drawn from the Town General Fund or Highway Fund.

Governance

The Village Board of Trustees would be dissolved and all matters that it managed will be handled by the Town Board unless otherwise specified.

Village Mayor position would be eliminated, and the Town Supervisor will serve as the chief executive for the full town.

Village Records

The village records will be transferred to the Town of Dayton after dissolution.

Water & Sewer

The Town would create a Water District and a Sewer District as provided by Article 12 and 12A of Town Law.

- The districts would be governed by the Town Board.
- The Water District and Sewer District would be funded by users of each system.
- Current debt associated with Water and Sewer district infrastructure improvements would be paid by users of the systems.
- Each District would be responsible for operation and maintenance of each system.
- The Water Operator and Wastewater Operator (currently filled by one individual working part-time) would be paid through the new Water District and Sewer District.
 - Currently, the Village DPW staff provides backup to the Water and Wastewater Operator. Specifically, DPW assists with daily samples and with repairs to the water and sewer facilities.
 - To cover these duties the dissolution financial model assumes:

- An increase in the hours worked by the current Water Operator and Waste Water Operator
 - Back-up services provided by at least one cross-trained Town Highway Department employee. A portion of this employee's salary would be paid through District funds.
- The Town Highway Department would mow, and pick up leaves, brush, yard waste at the Water and Sewer properties, including:
 - Water Plant: Mill St.
 - Water Tank: Main St.
 - Sewer Plant: East Railroad St,
 - Sewer Pump Station on Maple St.
 - The Water District and Sewer District would be responsible for billing users quarterly. The Town would create and fund a full-time Water/Sewer Clerk position to be shared between the water and sewer districts to perform this labor intensive function. The position will be funded by the Districts' user fees. Future investments into the water infrastructure could include an automated billing system.
 - Water and sewer usage rates will likely increase by about 33% because all costs associated with those districts will be funded fully by the district fees. A typical water only user currently pays around \$400 per year and that would increase to about \$500 per year. A water and sewer user pays around \$700 per year and that would increase to about \$875 per year.

Road & Municipal Property Maintenance

The Town Highway Department would:

- Assume responsibility for the maintenance, repair and upkeep, including snow and ice removal, of Village roads and culverts.
- Mow and pick up leaves, brush and yard waste at former Village properties absorbed by the Town including the water and sewer facilities.

Sidewalk Maintenance

The Town would create a Sidewalk District to maintain sidewalks within the Village.

- The District would be governed by the Town Board.
- The Sidewalk District would be funded taxpayers within the boundaries of the District, which would most likely be the boundaries of the current Village.
- Town Highway Department would provide maintenance, repair and upkeep of sidewalks or hire a contractor for these services.
- For financial modeling purposes, the estimated cost of the new district is \$5,000 per year assessed on properties in the former village.

Lighting

The Town would create an additional Lighting District to be governed by the Town.

- The District would cover existing lights within the boundaries of the current Village.
- The Lighting District would be funded by taxpayers within the boundaries of the future lighting district, which would likely be the boundaries of the current Village.
- For financial modeling purposes, the estimated cost of the new district is \$8,000 per year assessed on properties in the former village.

Refuse and Yard Waste Service

After dissolution, the Town would not provide refuse or yard waste collection services. Village residents will need to seek their own arrangements, similar to how residents of the Town outside the Village currently meet this need.

As of December 2025, Town and Country Disposal's quarterly rate is \$100.44 for one 96-gallon cart. Bulk pick up is available at an additional cost depending on size. Town and Country does not provide yard waste pick up.

Code Enforcement

The Town Code Enforcement Office would become responsible for enforcing codes in the former village. Both the Town and Village use the state codes as their primary documents. Any Village codes that differ from Town codes would remain in effect for two years after dissolution or until the Town makes a decision on them.

Additionally, Village Code Enforcement records will need to be transferred to the Town's system.

Zoning

The Village is not currently zoned. If the Village were to dissolve, the Town will need to zone the Village within two years.

Clerk/Treasurer Office

The Village Clerk/Treasurer Office would be dissolved. Current duties would be split between the Town Clerk's Office and a future Water & Sewer District Clerk. An estimate of the time spent on Village duties vs Water Sewer duties by the Village Clerk/Treasurer's Office appears below.

Current Village Position	Hours per week	Estimated time spent on Village duties	Estimated time spent on Water/Sewer duties
Village Clerk/Treasurer	32.5	35%	65%
Deputy Clerk	12	10%	90%
Clerk Assistant	5	10%	90%

To accommodate this work, the financial model assumes that the Water District and Sewer District would create a shared full-time Clerk position and the Town would increase the Town Clerk's hours by 50%.

Court

The Village Justice Court would be dissolved, and the Town Justice Court would assume all Justice Court duties. The Village Court hears about 10 civil cases a month and has 6-7 criminal cases going at once. Both the Village and Town Court utilize the same Assistant District Attorney for criminal court. The financial model includes additional funds for the Town Judge, and increased use of a prosecutor for civil cases.

Library

Upon dissolution, the Town would assume ownership of the Village Hall including the Library facility and its contents. The Town would pay for utilities as the Village currently does and keep programming/volunteers as is. The Town Clerk would establish a Library account to fund to collect revenue generated through library activities (i.e., coffee sales) to be used for the Library as needed. Any grant funds designated to the Library will be transferred to the Town and will retain their designated purpose.

Depot

Upon dissolution, the Town would assume ownership the Depot facility. The Town would keep the facility, pay for utilities as the Village does, and would leave programming/volunteers as is. The Town Clerk would establish a Depot account to collect revenue generated through gift shop sales, fundraisers and grants to be used for the Depot as needed. Any grant funds designated to the Depot will be transferred to the Town and will retain their designated purpose.

Playground, Ballpark and Gazebo

Upon dissolution, the Town would assume ownership of the playground, ballpark and gazebo and maintain these sites in accordance with current Village practices. Any grant funds designated to the Playground, Ballpark or Gazebo will be transferred to the Town and will retain their designated purpose.

Disposition of Village Assets & Liabilities When Dissolution is Effective

J. The disposition of the Village's assets, liabilities and indebtedness, including the levy and collection of the necessary taxes and assessments is as follows:

Assets

The Village will dispose of any assets remaining on the effective date of the dissolution by turning them over to the Town of Dayton to become Town assets.

Liabilities and Debts

The Village knows of no liabilities at this time that would become the responsibility of the Town upon dissolution of the Village.

The water and sewer system debt will be passed to the Town of Dayton and paid for by the users of the water and sewer system special districts.

The Village will retire the EPA stormwater improvements and DEC-ZEV charging station revenue anticipation note in June 2026, so that debt will not pass to the Town.

Taxes

The Village cannot project whether or not there may be uncollected taxes upon the date of dissolution; however, any uncollected taxes will have been turned over to the County per current practice. If the County successfully collects on those debts, the funds will be given to the Town.

Local Laws

K. Under state dissolution law, all village local laws remain in effect for two years after dissolution of until they are acted upon by the Town Board. The Town can choose to adopt, amend, or void these laws. The table listing Village of South Dayton laws and the likely status on dissolution is below.

Village of South Dayton Law	Law #	Probable Status on Dissolution
Code Enforcement Law	1987-1	Evaluated by Town within 2 years
Adoption of Uniform Codes	2007-1	Both the Town and Village use State codes. Any Village codes that differ from Town codes would be evaluated by Town within 2 years.
Code Enforcement Officer Term Limits	2012-1	Evaluated by Town within 2 years
Solar or Wind Systems – No Tax Exemption	2011-1	Likely voided –Town has same law
Over 65 Exemption (Amended)	1992-3	Evaluated by Town within 2 years: Village law allows real property owners over age 65 with an income less than \$10,800 an exemption to the extent of 50% of the assessed value of the property. Town law allows exemptions for real property owners over 65 but at various percentages based on income. Town also includes an offset for non-

Village of South Dayton Law	Law #	Probable Status on Dissolution
		reimbursed medical expenses when determining eligibility.
Veteran's Exemption – provides for exemptions set out in Section 458-a of Real Property Tax Law	1996-1	Evaluated by Town within 2 years
Sewer Use Law (Amended)	1999-1	Evaluated and adopted by Town within 2 years
Cross Connection Law	1992-5	Evaluated and adopted by Town within 2 years
Water System Law Amended	2003-5	Evaluated and adopted by Town within 2 years
Dog Control Law (Amended)	1996-2	Evaluated by Town within 2 years. Looks similar to Town's dog control law.
Cannibas Opt Out	2021-2	Likely voided –Town has same law
Snowmobile Law Sets age, registration, and vehicle condition requirements; prohibits use after 10pm with some exceptions; sets 10mph speed limit; prohibits use on Pine Street and on sidewalks.	1998-1	Evaluated by Town within 2 years
Code of Ethics Law	1970-1	Evaluated by Town within 2 years
Gross Utilities Law	1970-2	Voided – NYS law only grants the power to pass a gross utilities law to cities and villages. There is no equivalent for towns in Town Law.
Open Container Law	1986-1	Evaluated by Town within 2 years
Games of Chance Law	1989-2	Evaluated by Town within 2 years
Solid Waste Law	1992-2	Evaluated by Town within 2 years
Fair Housing Law	1992-3	Evaluated by Town within 2 years
Flood Prevention Law (Amended)	1993-1	Evaluated by Town within 2 years
Curfew Law	1995-1	Evaluated by Town within 2 years
Downtown Commercial Area - establishes a downtown commercial area & prohibits 1st floor apartments in any building within the district	2017-1	Evaluated by Town within 2 years

Effective Dissolution Date

L. Should the electors of the Village choose to dissolve the Village, the dissolution will be effective on May 31, 2027.

Official Public Hearing

M. The Village held an official public hearing on March 25, 2026 at 7:00 pm at the South Dayton Fire Station, 34 Maple Street, South Dayton, NY.

Other Matters Pertinent to Dissolution

N. Other matters include the creation of new special districts, changes to specific revenues, Village property tax impacts, and additional fees.

Creation of Special Districts

A vote in favor of dissolution would be considered equivalent to a vote in favor of the Town of Dayton forming the necessary special districts (water, sewer, sidewalks, and lighting) to continue the services specified in the plan.

Specific Revenue Changes

New York State law limits the collection of the gross utilities receipt tax (UGT) to cities and villages; towns may not collect these taxes. Since this tax is paid by the residents of the Village, the elimination of this tax due to the Village's dissolution will result in a small savings on Village residents' utility bills. The UGT is budgeted at \$6,000 in the Village.

The Town will receive the full share of sales tax distribution from the county and would also receive a higher share of CHIPs⁴ and AIM⁵ funding based on the Village's current share.

Property Tax Impact for Village Properties⁶

The table on the next page identifies how Village property tax bills would have been affected had the Village dissolution been in effect in 2025. These tax rate estimates are based on the 2026 Town Budget and the Village 2025-26 Budget.

It is important to note that upon dissolution, the Town government would become eligible for a Citizen Empowerment Tax Credit (CETC). This is an annual incentive from NYS for consolidating governments. The incentive is based on a formula: 15% of the Village's general tax levy PLUS 15% of the Town's general and highway tax levies. **The CETC, based on the 2026 Town Budget and the Village 2025-26 Budget, equates to \$100,500.**

⁴ CHIPs (Consolidated Local Street & Highway Improvement Program) is a state-funded program that provides reimbursement to municipalities for building, repairing & improving local highways, bridges and infrastructure.

⁵ AIM (Aid and Incentives for Municipalities) is the state's primary program for providing unrestricted, general-purpose state aid to cities, towns, and villages to support local government and reduce property tax growth.

⁶ An analysis of the impact of Village dissolution on Town of Dayton outside Village properties appears in Appendix B.

The Town is required by NYS law to use a minimum of 70% of the CETC to reduce taxes for all taxpayers. The projections in the table below illustrate the impact of both a 100% and 70% application of the CETC by the Town to reduce taxes for all Town taxpayers. The Town will be able to apply between 70% and 100% of the CETC to reduce the tax levy. Any other funds could be used to create a new program or purchase equipment.

The table excludes water and sewer charges since these charges are billed as user fees to Village residents rather than via a tax levy. A discussion of the impact on water and sewer usage rates appears in the next section.

Finally, the projected rates are shown rounded to the nearest 5 cents because of the variables related to forecasting future tax rates. A change of about \$9,000 in either expense or revenue for the Town of Dayton would move the tax rate by about \$0.10 per assessed thousand.

Village Tax Table Current and Forecast				
Tax Category	Rate Per \$1,000	Property Value		
		\$50,000	\$75,000	\$100,000
Current Tax Rates				
Townwide General	\$2.52	\$126.10	\$189.15	\$252.21
Townwide Highway	\$2.39	\$119.66	\$179.49	\$239.33
Village General Fund	\$13.44	\$672.00	\$1,008.00	\$1,344.00
Total on Village Property	\$18.36	\$917.77	\$1,376.65	\$1,835.53
Future Tax Rates (100% of CETC applied)				
Townwide General	\$1.65	\$82.50	\$123.75	\$165.00
Townwide Highway	\$3.80	\$190.00	\$285.00	\$380.00
CETC Impact (100%)	-\$1.15	-\$57.50	-\$86.25	-\$115.00
New Sidewalk District	\$0.30	\$15.00	\$22.50	\$30.00
New Lighting District	\$0.40	\$20.00	\$30.00	\$40.00
Future Rate in Former Village	\$5.00	\$250.00	\$375.00	\$500.00
Change from Current	-\$13.36	-\$667.77	-\$1,001.65	-\$1,335.53
Future Tax Rates (70% of CETC applied)				
Townwide General	\$1.65	\$82.50	\$123.75	\$165.00
Townwide Highway	\$3.80	\$190.00	\$285.00	\$380.00
CETC Impact (70%)	-\$0.75	-\$37.50	-\$56.25	-\$75.00
New Sidewalk District	\$0.30	\$15.00	\$22.50	\$30.00
New Lighting District	\$0.40	\$20.00	\$30.00	\$40.00
Future Rate in Former Village	\$5.40	\$270.00	\$405.00	\$540.00
Change from Current	-\$12.96	-\$649.77	-\$971.65	-\$1,295.53

The overall tax burden for general government and highway services is expected to drop between \$13.36 and \$12.96 per \$1,000 of assessed value, depending on the percentage of

the CETC applied by the Town to reduce taxes. As noted below, there will be increased costs for services for refuse removal, yard waste removal and water/ sewer utilities.

Other Fees

Refuse Removal

In addition to the changes with the property taxes as noted above, Village residents would be responsible for paying for their own refuse removal. Based on current rates from a commercial refuse removal provider that serves the Town of Dayton, we estimate that would be about \$400.00 per year. Residents would need to make additional arrangements for yard waste removal.

Water & Sewer

Water and sewer charges will increase because the Village staff, particularly the clerk and support work from DPW staff, will now have their water and sewer responsibilities fully funded by user fees instead of receiving partial funding from the Village's general fund. Both water and sewer rates will likely increase by an estimated 33%. Water-only customers may see a \$100 increase annually and customers utilizing both water and sewer services may see a \$175 increase annually.

Summary of Financial Impact

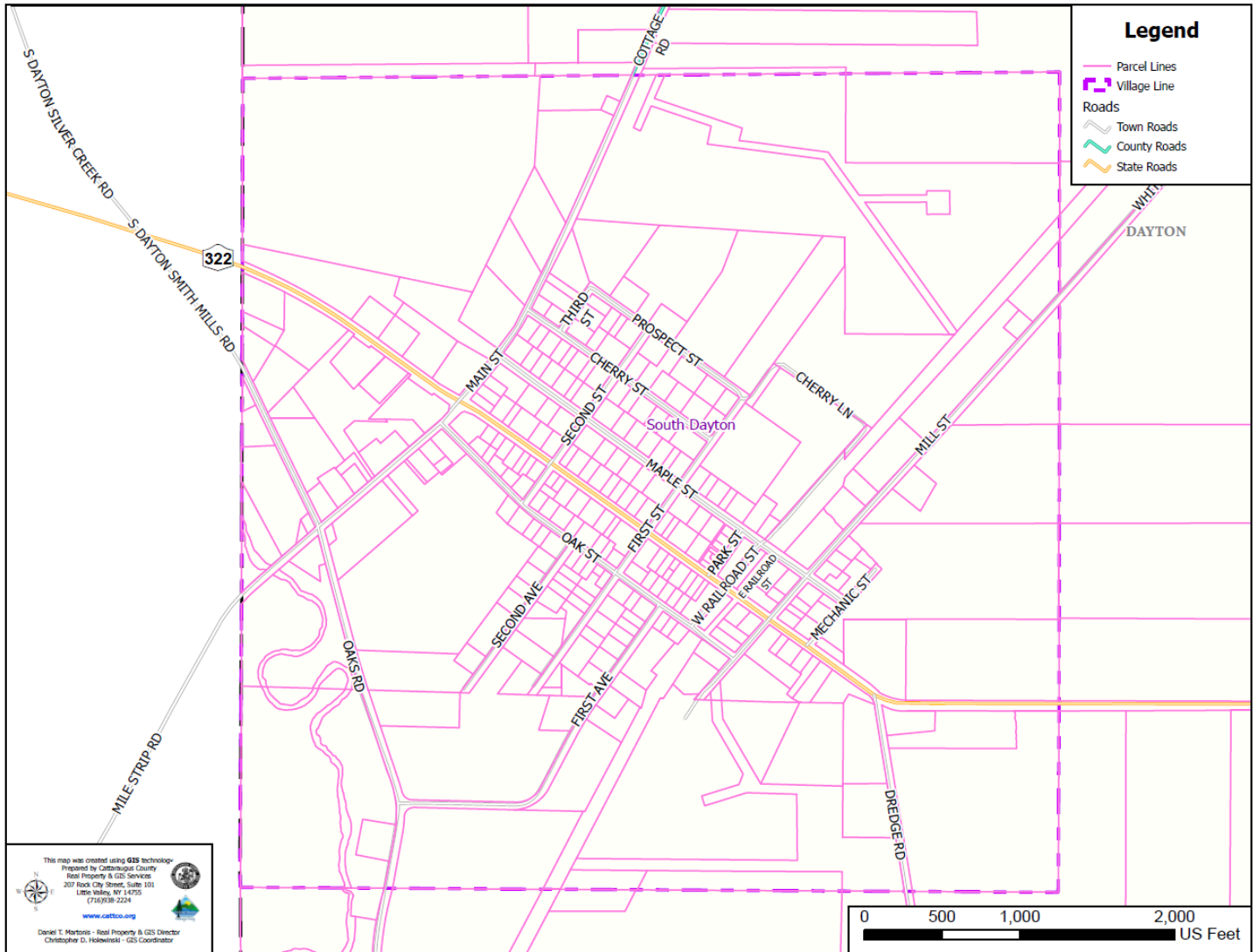
If the Village follows through on a dissolution, the property tax burden on former Village properties would reduce substantially from a current total Town and Village government tax burden of approximately \$18.40 per thousand dollars to an estimated range of \$5.00 to \$5.40 per thousand, depending on the percentage of the CETC applied by the Town to reduce taxes. However, residents in the former Village would see an increase in Water and Sewer fees of about 33% and would become responsible for their own refuse and yard waste. With those increased costs, the average property receiving water and sewer services would still see an overall savings of about \$100 per year.

This modeling does not take into account other property taxes such as those levied by Cattaraugus County, the school district, or the fire district.

Uncertainty in Modeling

The financial forecasting methods are designed to be conservative to slightly overestimate new costs (such as with Water and Sewer Departments) and underestimate any potential savings that may occur from the Town finding efficiencies as it integrates the service responsibilities from the former village. The intent is to create a model that while realistic is somewhat pessimistic in its application of assumptions.

Appendix A: Map of the Village of South Dayton, NY



Appendix B: Impact on Town Outside of Village Properties

The residents of the Town of Dayton outside of the Village of South Dayton will also be impacted by the changes to the town government operations and funding. There will be some increase in the Town's operating budget for highway and general funds which will lead to an increase in the Town's tax levy and rate, prior to application of the Citizen Empowerment Tax Credit (CETC). The table below illustrates the impact of both a 100% and 70% application of the CETC by the Town to reduce taxes for all Town taxpayers.⁷

TownTax Table Current and Forecast				
Tax Category	Rate Per \$1,000	Property Value		
		\$50,000	\$75,000	\$100,000
Current Tax Rates				
Townwide General	\$2.52	\$126.10	\$189.15	\$252.21
Townwide Highway	\$2.39	\$119.66	\$179.49	\$239.33
Total on Town Property	\$4.92	\$245.77	\$368.65	\$491.53
Future Tax Rates (100% of CETC applied)				
Townwide General	\$1.65	\$82.50	\$123.75	\$165.00
Townwide Highway	\$3.80	\$190.00	\$285.00	\$380.00
CETC Impact (100%)	-\$1.15	-\$57.50	-\$86.25	-\$115.00
Future Rate in Former Town Outside Village	\$4.30	\$215.00	\$322.50	\$430.00
Change from Current	-\$0.62	-\$30.77	-\$46.15	-\$61.53
Future Tax Rates (70% of CETC applied)				
Townwide General	\$1.65	\$82.50	\$123.75	\$165.00
Townwide Highway	\$3.80	\$190.00	\$285.00	\$380.00
CETC Impact (70%)	-\$0.75	-\$37.50	-\$56.25	-\$75.00
Future Rate in Former Town Outside Village	\$4.70	\$235.00	\$352.50	\$470.00
Change from Current	-\$0.22	-\$10.77	-\$16.15	-\$21.53

Summary of Financial Impact

If the Village follows through on a dissolution, the property tax burden on former Town Outside Village properties would reduce slightly from a current \$4.92 per thousand dollars to an estimated range of \$4.30 to \$4.70 per thousand depending on the percentage of the CETC is

⁷ The Town is required to use a minimum of 70% of the CETC to reduce taxes.

applied to reduce taxes for all Town taxpayers. Those properties currently in the existing lighting district would continue to pay for that service.

This modeling does not take into account other property taxes such as those levied by Cattaraugus County, the school district, or the fire district.