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# Projected Impact of Dissolution on Village of Van Etten

## Survey of Existing Conditions and Potential Future Operations

October, 2017

**Prepared for:**

Village of Van Etten and New York State Department of State

**Prepared by:**

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# Summary

In August 2017, residents in the Village of Van Etten submitted to the Village Clerk a valid petition requesting a referendum on dissolution of the village pursuant to Article 17-A of the New York General Municipal Law. The petition was determined to be valid by the clerk and the Village Board set the date of referendum to be November 13, 2017.

In an effort to inform the residents of the issues related to dissolution, including potential impacts to services received by the residents, projected fiscal impacts and other issues, the Village Board hired CGR to develop a report that identifies those impacts. The findings of the report will be shared in written format, at a public meeting and using a project specific website, [www.cgr.org/van-etten](http://www.cgr.org/van-etten).

## Service Impacts

The Village of Van Etten provides a variety of services to its residents and funds those services through several income sources, including property taxes assessed on the values of the property, and for the water service, user fees based on the service provided. The Town of Van Etten, Chemung County and the State of New York also provide services to the residents of Van Etten. The following paragraphs document some of the existing services provided by the Village to the residents and then projects what might happen to them if the village dissolves. A more detailed reporting that covers all the services is found in the following report.

**Board of Trustees/Mayor** – Both of these categories of position would be eliminated upon dissolution and the residents would rely on the town for these services.

**Cemetery** – It is likely that ownership of the cemeteries would transfer to the town and they would become responsible for the management and perpetual care.

**Clerk** – This position would be eliminated and any remaining functions would be picked up by the town. The town would likely need to add staff to support the water district and cemetery operations.

**Code Enforcement** – The town would become responsible for code enforcement and would likely need to add staff hours to accomplish this task.

**Fire Service** - The biggest change in service would be for the fire department. There was not an in-depth objective analysis related to the quality of the services. CFR would likely be responding from a mile and a half outside the village, but this is may be partially mitigated by the differences in staffing, and the fact that CFR almost always has a first response vehicle staffed and available. This is in contrast to the village fire department which needs to have a person respond to the station. Also, CFR members

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have additional EMS equipment for allergic reactions and overdoses. CFR also has more trained members for both EMS and firefighting than the village. *The issue related to fire services deserves an in-depth and objective comparison between the departments by a neutral party before a suggestion as to the true impact to service can be made. This impact report did not have the scope to complete this analysis.*

**Local Laws** – All village laws would remain in effect for two years after dissolution or until they are adopted or discarded by the town.

**Refuse Removal** - The village contracts with a private hauler to collect and transport refuse and recyclables from the residences in the village. The contract is paid for out of the village general fund. The village sells stickers that must be placed on bags for them to be collected. The tags are sold at several local vendors (including village hall) for \$3 per tag. The revenue generated from the tag sales was \$8,200 in 2016 and \$8,400 in 2017. After dissolution, the Town is unlikely to continue the service for refuse collection. Residents of the village would need to seek their own arrangements, similar to how residents of the town currently have their service. A village resident might pay a dollar a week more for refuse costs if they place 2 bags per week out on the current system. As an alternative, the town could create a refuse district that would be cost neutral for the residents.

**Real Property and Equipment** - All remaining property becomes the property of the whole town. This impact report did not explore potential uses of the buildings after they are not needed for the village, but this would be planned out during the development of a dissolution plan to ensure that residents of the village gain maximum benefit.

**Roads, Skate Park, Sidewalks, Streetlights** - Upon dissolution, the town would become solely responsible for providing these services. The roads and skate park would likely be maintained in a similar manner that they are today. The town would likely establish sidewalk and street lighting districts to provide these services and segregate the costs to the former village residents.

**Water Service**- From the customer end, there would be minor changes related to who sends the invoices and who sets the rates. Water service will be maintained after dissolution through the use of special district. The Town Board will likely govern the district and operate it in a similar manner that it is operated today.

## Key Findings

A village tax payer would see some financial benefit (about \$284 for a median value home) with very little change to their services. This would be about an additional \$5.45 a week. This would be recurring savings each year. Most services would be delivered by the same organizations or people that do it today, but they would be

organized through town special districts (water, streetlights, sidewalks) or absorbed directly into town operations (zoning, road maintenance and cemetery).

Village of Van Etten Tax Schedule		
	Current	Potential
County	\$ 7.0644	\$ 7.0644
Community College	\$ 0.6077	\$ 0.6077
Library	\$ 0.6843	\$ 0.6843
Town	\$ 6.6459	\$ 5.2000
Fire	n/a	\$ 1.4000
Village	\$ 4.0112	\$ -
Sidewalk and Lights		\$ 0.9000
School	\$ 18.6172	\$ 18.6172
Total Rate	\$ 37.6306	\$ 34.47
Median Value Home Tax Bill	\$ 3,387	\$ 3,103

The village residents would face reduced representation as they would only have one layer of local government representing 1,600 people and they would need to work cooperatively with all the town residents to receive the services they are seeking. Finally, some services and roles would go away altogether such as the village board, clerk and mayor.

### Next Steps

Village residents will vote on November 13<sup>th</sup> to dissolve or keep their village government. If the decision is to dissolve, the Village Board will need to create a dissolution plan that will describe the actions that will be undertaken to dissolve the village and provide service to the residents after dissolution. Village residents will have an opportunity to engage in the development of the dissolution plan. The plan must be adopted by the Village Board within 180 days of the dissolution vote. After it is adopted, the plan is presented to the public and is subject to both revision and a referendum. The time between a vote for dissolution and the actual dissolution varies depending on the process but is usually more than a year. There are state grants available to defray costs specifically related to dissolution.

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## Acknowledgements

Many thanks to Village Clerk Shirley Klose and Town Clerk Dawn Rose for their assistance in providing information and discussing their roles.

The following people served as a steering committee and reviewed written documents in advance of public meetings.

- Robert Bowen
- Kevin Frisbie
- Barbara Lawrence
- Jim Loomis
- Jim Sayre
- Fred Swayze, Jr.
- Gary Vergusen

Thanks to those who spoke with the CGR team to provide information about the Town and Village including:

- Mayor Jake Briggs
- Supervisor George Keturi
- Chief Stephen Horyczun, Village of Van Etten Fire Dept.
- Chief Anthony Ferrone, Community Fire and Rescue
- Heather Gable, Village Water Operator
- Brian Belanger, Village Trustee
- Kathleen Forbes, Village Trustee, Liaison with Van Etten Fire Dept.
- Larry Lanterman, Village Codes Officer
- Dick Cary, Town Codes Officer

## Staff Team

Amelia Rickard assisted with data analysis and preparing the report. Katherine Bell developed the project website.

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## Study Background

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In an effort to inform the residents of the issues related to dissolution, including the potential impacts to services received by the residents, projected fiscal impacts and other issues, the Village Board hired CGR to develop a report that identifies those impacts. The findings of the report will be shared in written format, at a public meeting and using a project specific website, [www.cgr.org/van-etten](http://www.cgr.org/van-etten).

The study is funded 90 percent by the New York Department of State with the remainder being supported from village funds. As part of the study, CGR is working with a volunteer study committee with representatives from the village and town. The committee's role is not to specifically endorse the impact study but rather to provide a check on the rationale behind the analysis and to give insights related to the local community.

## Methodology

To develop an impact analysis, CGR met with key officials from both the Village and Town of Van Etten. We also reached out to other organizations that provide services to the village. We reviewed a series of documents including recent budgets, annual financial reports, relevant contracts, and asset inventories.

Our impact model looks at each service provided by the village and identifies a reasonable alternative for service delivery if the village dissolves. If there are substantially different alternatives that could be used in the future, we explain the differences. For the selected alternative, we model the financial impact using the current budget year. The goal is to demonstrate what the services and their costs would be if the village had been dissolved in 2017. The result will be a rough approximation of both the services that residents can expect and the cost to provide them if the village does dissolve.

## Projected Service Impacts

The Village of Van Etten provides a variety of services to its residents and funds those services through several income sources, including property taxes assessed on the

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values of the property, and for the water service, user fees based on the service provided. The Town of Van Etten, Chemung County and the State of New York also provide services to the residents of Van Etten. The following paragraphs document the existing services provided by the Village to the residents and then projects what might happen to them if the village dissolves.

## Board of Trustees

The Village has four elected trustees that serve on the Board of Trustees. Each trustee receives \$90 a month and can also be reimbursed for mileage and other approved expenses.

- Upon dissolution, the Village Board of Trustees would be dissolved and all matters that it managed would be handled by the Town Board unless otherwise specified.

## Cemetery

The Mount Hope and Canfield cemeteries are managed by the village board and one Trustee is designated annually as the manager. The both cemeteries actively sells plots and receives burials. Selling plots and arranging for services (such as grave opening and mowing) is a responsibility of the Clerk and the designated trustee.

The village budgeted \$15,000 in their 2017-18 budget for the cemetery. The bulk of this expense is to maintain the property, primarily mowing and maintain the trees. A smaller share is used for assisting with the burials. The revenue from selling plots and grave opening fees provides an estimated 25 percent of the operating costs of the cemeteries. There is also a perpetual care fund managed by the village to assist in the maintenance of the cemetery.

- Upon dissolution, the Town would become responsible for the management and upkeep of the cemeteries. The cost for operating the cemetery would become a part of the general fund. Towns are required by law to maintain the cemeteries inside their limits unless they are operated by a cemetery association or a village. The town already maintains a cemetery. The town would receive and manage the perpetual care fund for the benefit of the cemetery. The town might also need to add additional clerical support to manage the cemeteries.
- Potential option – The town could seek to create a cemetery association to operate one or both of the cemeteries, although the economics of operating one in a rural environment would be difficult. This option would likely lead to an eventual town take over. There would need to be substantial research and investigation to determine if this might be a viable option.

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## Clerk/Treasurer

The Clerk/Treasurer position is integral to the operations of the village. This is an appointed position. The responsibilities include:

- Keeping records of meetings
- Corresponding on behalf of the village
- Supporting the Board of Trustees and Mayor
- Managing financial transactions including receiving bills, maintaining records, preparing checks, and filing needed reports
- Receiving tax payments for village taxes
- Receive paperwork for code enforcement officer
- Sell cemetery plots and assist in coordination cemetery maintenance
- When needed, assist in the coordination of burials
- No licenses or vital records are maintained by this office
- Collect water usage using an electronic system on a monthly basis
- Generate monthly water bills and collect payments
- Janitor and cleaner for village hall

The position is salaried for the roles outlined above. The clerk maintains office hours of a minimum of 20 hours per week, and reports that she typically works more than 30 hours per week. Her salary is split between several portions of the budget. As clerk treasurer, she receives \$726 per month and as tax collector/ janitor \$363 from the general fund. She also receives \$825 per month for performing the water billing and \$75 per month plus mileage for acting as the meter reader. The result is an annual salary of \$23,868. She receives no benefits and is not in the state retirement system.

- Upon dissolution, the portions of the role related to the general fund would be eliminated as there would no longer be village. However, the portions of the role related to the water system would need to be picked up by a town employee, likely the town clerk or a new part time administrative person. The water system roles would be funded through fees to water customers and would not be a part of the property taxes. Also, the town would likely need to add clerk hours to assist with management of the cemetery. For this purpose, we estimate an additional \$3,000 per year would be needed by the town.

## Code Enforcement

The code enforcement position is a part time position, usually working three hours per week. The current code enforcement officer (CEO) regularly drives through the village

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to identify potential code violations or need for permits such as substantial repairs, long grass, or accumulation of trash. The CEO also reviews permit applications and makes inspections. Any violations that rise to the level of a ticket are referred to Van Etten Town Court.

The CEO is funded at \$200 a month plus fuel stipend. There are about \$1,000 per year in permit and application fees.

Both the Town and Village use the state codes as their primary documents. However, there are several village codes that are more restrictive and would remain in effect for two years after dissolution or until the Town makes a decision on them. Examples include Sidewalk Law, solid waste disposal and outside storage of motor vehicles.

- Upon dissolution, the Town Code Enforcement Officer would become responsible for enforcing codes in the former village. This would increase the burden on this office and is modeled by moving all expenses, \$2,800 from the Village to the Town. This represents a 33 percent increase to this budget.

## Debt

The Village of Van Etten stated that it had a total debt of \$1.4 million at the end of May 2017. A \$15,000 bond related to Village Hall renovations will be satisfied by the end of May 2018. The remaining debt is all associated with the Water System. The largest portion is \$1.3 million owed on 30-year zero-interest note to the NYS Environmental Facilities Corporation.

- Upon dissolution, all general fund debt will have been retired. The water fund debt will remain the responsibility of the rate payers until 2035.

## Fund Balance

The village reported that it had an unassigned fund balance of \$85,507 at the end of its fiscal year in May 2017. While this amount is lower than several recent years, it represents a reasonable figure for a village to have on hand, 40 percent of their annual budget. The village has been using money from the fund balance to help stabilize the tax rate. In 2015-16, it used \$15,000 and in 2016-17 it used \$9,000 from the fund balance to support general fund operations.

- The village board manages the fund balance until the day of dissolution and it can be used to fund onetime expenses related to the dissolution process. Any fund balance remaining at dissolution becomes the property of the Town of Van Etten. In some communities that have dissolved, the Town Board has used that money to help fund programs previously funded by the Village.

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## Fire Department

The Village of Van Etten Fire Department is a fully volunteer organization that provides response to both fire and medical emergencies in the village. The department responds to about one call per week in the village (50 calls per year). The majority of calls are for emergency medical services for which the department provides basic level first response. The department has 20 members on the rolls. Two are certified EMTs, five are certified Emergency Medical Responders<sup>1</sup> and eight are qualified as interior fire fighters. The department has a front line engine from 2004, a frontline tanker pumper from 1994 and a reserve engine from 1993. They also have a brush truck that was purchased 2015 and a first response EMS vehicle from 2008. The fire department is recognized by the NYS Department of Health as a Basic Life Support First Response Agency. They have two defibrillators that are standard equipment on EMS responses. The department members coordinate their activities to ensure that a qualified medical responder is always in or near the village.

The department has a budgeted expense in 2017-18 of \$56,000. They report that this amount has been essentially unchanged in the last decade. Over the last five years, they report spending, on average, \$44,000 in the area of fire service. In the last two years, there has been a dramatic jump in the cost of worker's compensation insurance from several hundred dollars a year to about \$13,000.

The village owns all of the response equipment and also owns the fire hall. An independent firefighter's association owns tables, chairs and a trailer that it will rent to community members as a fundraiser. They also will deliver water for pools for a fee and then return the revenue to the village, less the expense of the water.

The department was rated by the Insurance Service Organization as 5/5X in 2014. This rating places the department in the middle third of departments in New York State, meaning that 35 percent of fire departments in New York State have a better rating and 39 percent have a worse rating. (A further explanation of the ISO rating is in an appendix.)

The department has not participated in state sponsored training offered by Chemung County in two of the last three years. The total number of hours completed was 312 for three students in a Firefighter 1 Class in 2015. However, the department reports

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<sup>1</sup> An Emergency Medical Responder (EMR) is a state certified EMS provider with approximately 60 hours training focused on initial assessment and lifesaving interventions such as AED use and CPRs. They receive less than half the number of initial training hours as an EMT and have a more limited standard of care.

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that they participate in training in Tompkins County and training offered by their insurance company. They do meet regularly for company drills – three Thursdays a month for two to three hours, and they also conduct fire hydrant inspections.

In addition to its fire service operations, the fire station is a community hub. It has served as a food distribution site for a summer meals program and hosts community breakfasts (as a fundraiser.)

An evaluation of departmental performance is not an objective of this impact analysis. No objective source for response times was available for analysis for this project<sup>3</sup> and time was not available to assess items such as training records, mutual aid plans, equipment status and apparatus maintenance.

- It is likely that the Village of Van Etten Fire Department will dissolve if the village dissolves and the area will be served by Community Fire & Rescue department (CFR) in the Town of Van Etten. To accommodate the expanded service area and integrate new members, we project that the department will need about a third of the village's funding for the fire department, \$18,500. The total projected budget will be \$126,500.

### About Community Fire and Rescue

- CFR is located about 1.6 road miles from the village hall. The department was created in 2011 with the support of the town. CFR responded to nearly 100 calls over the last three years in all areas of the town outside the village. CFR has 55 members on the rolls including 38 active firefighters (19 interior qualified) and 20 certified EMS providers (including three paramedics and 14 EMTs), with many holding both credentials.
- CFR has a similar, but newer, fleet of equipment with two engines, a tanker, a brush truck, an EMS first response/chief vehicle and a heavy rescue truck. CFR also has a rehabilitation trailer that is used to support firefighters for the department and as needed elsewhere in the county. CFR has the same ISO rating as the Village of Van Etten, 5/5X.
- CFR uses a scheduling process to ensure that an officer and an EMS provider are always in the district and able to respond using the EMS first response vehicle.

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<sup>3</sup> Chemung County EMS dispatch logs were provided, but they are handwritten and require substantial effort to gather data. A FOIL request was made to the NYS Office of Fire Prevention and Control for call records, but the data was not received at the time of this report.

In addition to weekly training at the station, CFR members participated in nearly one-thousand hours of state sponsored fire training offered by Chemung County during 2015 and 2016.

CFR Training through Chemung County		
Course	2015	2016
Firefighter Survival (12hrs)	36	48
Firefighter I (104hrs)	312	104
Basic Ext. FF Ops (45hrs)	45	
Emerg. Vehicle Ops. (18hrs)		18
FF Asst & Search FAST (15hrs)		60
HazMat 1st Resp Ops. (16hrs)	16	
Water Supply Ops. (27hrs)	216	
Engine Co. Ops. (24hrs)	120	
Total Hours	745	230

- The fire department is recognized by the NYS Department of Health as a Basic Life Support First Response Agency. They have several defibrillators that are standard equipment on EMS responses. The department is also authorized to carry and administer naloxone (Narcan) and epinephrine (for allergic reactions) when needed.
- No objective data was available to assess response time for emergencies.

## Local Laws

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 table listing the laws and the potential status on dissolution is below. If the village chooses to dissolve, the laws will be compared with Town Laws for conflict or overlap as part of the dissolution planning process.

Village of Van Etten Laws	
Law	Status on Dissolution
2016#1 - Property Tax Levy Excess of Limit	Voided -Required to override tax cap
2013#3 - All-Terrain Vehicles & Dirt Bike Restrictions	Evaluated by Town within 2 years
2013#2 - 6 Month Moratorium on outdoor Wood-burning Furnaces	Already Expired

Village of Van Etten Laws	
Law	Status on Dissolution
2013#1 - 6 Month Moratorium on All-Terrain Vehicles	Already Expired
2006#2 - Law Providing for the Administration & Enforcement of NYS Uniform Fire Prevention & Building Code	Similar to Town's Law
2001#4 - Curfew Law for Minors	Evaluated by Town within 2 years
2001 #3 - Repair, Demolish or Removal of Unsafe Buildings	Evaluated by Town within 2 years
2001#2 - Unlicensed and/or Unregistered Motor Vehicles	Evaluated by Town within 2 years
2001#1 - Solid Waste & Related Items Regulation Law	Evaluated by Town within 2 years
2000# 1 - Adult Entertainment	Evaluated by Town within 2 years
1999#1 - Construction & Maintenance of Safe Sidewalks	Evaluated by Town within 2 years
1994#2 - Partial Tax Exemption for Improvements to Existing Residences	Evaluated by Town within 2 years
1991#1 - Regulating the Posting of Location Numbers in the Village of Van Etten	Evaluated by Town within 2 years
1993#1 -Trash Law	Evaluated by Town within 2 years
1992# 1 - Van Etten School Speed Limit Law	Evaluated by Town within 2 years
1989#2 - Prohibition of Open Alcoholic Beverage Container within Village	Evaluated by Town within 2 years

## Mayor

The Mayor of Van Etten also serves as a voting member of the Village Board of Trustees. He is the chief executive of the village and is responsible for overseeing the operations of the village. He has an annual salary of \$1,800.

- After dissolution, the Town Supervisor would serve as the chief executive for the whole town. There would be savings related to the Mayor's salary.

## Refuse Removal

The village contracts with a private hauler to collect and transport refuse and recyclables from the residences in the village. The village currently contracts with Frank's Disposal Service at a rate of \$1,050 per month to collect refuse and also transport single stream recyclables to their appropriate transfer stations.

The contract is paid for out of the village general fund. The village sells stickers that must be placed on bags for them to be collected. The tags are sold at several local vendors (including village hall) for \$3 per tag. The revenue generated from the tag sales was \$8,200 in 2016 and \$8,400 in 2017.

The cost for the refuse collection is \$12,518 in 2016 and \$13,245 in 2017. The village had to fund the remainder (\$4,318 in 2016 and \$4,845) out of the general fund budget.

- After dissolution, the Town is unlikely to continue the service for refuse collection. Residents of the village would need to seek their own arrangements, similar to how residents of the town currently have their service. The table below provides comparison between current and potential future refuse costs. A village resident might pay a dollar a week more for refuse costs if they place 2 bags per week out on the current system. (Note – if they use only one bag per week, the cost for a separate contract might be \$150 more per year. If they are using 3 bags per week, they would save \$150 per year.)

Estimated Annual Refuse Removal Cost		
Current (estimated)	\$334	\$3 per bag, plus a share of \$4500 to subsidize the service. Estimated based on 2 bag per week and \$22.50 for the share of the subsidy.
Frank's Disposal	\$338	\$6.50 per week, 52 weeks, up to 3 bags
Casella	\$414	\$ 34.50 per month, also a 10 % senior discount

- An alternative, the Town Board could establish a refuse district for the former village and the group contract would likely be similar in scale to what it is today.

## Real Property & Equipment

The village owns two buildings, the Village Hall and the Fire Department. In addition, the village owns the main water pump, the water tank and the secondary pump house. The village also owns several storage buildings located near the village hall or fire department. The village owns a diesel John Deere tractor that is equipped with a loader and snow blower.



The table below shows the insured value for replacement of the real property of the village.

Village of Van Etten Real Property	
Location	Valuation
Village Hall	\$ 696,000
Main Water Pump	\$ 58,000
Water Tank	\$ 180,000
Secondary Pump House	\$ 95,000
Fire Station	\$ 490,000

- Upon dissolution, all remaining property becomes the property of the whole town. This impact report did not explore potential uses of the buildings after they are not needed for the village, but this would be planned out during the development of a dissolution plan to ensure that residents of the village gain maximum benefit.

## Roads

The village has a contract with the town for snow removal for \$10 a year plus the village's share of CHIPS funding for snow removal. The village receives state funding for maintain its streets. The village contracts with responsible vendors for street repair and uses the available funds from state CHIPS funds for its road projects. There is minimal expense from the general fund for any services to maintain the roads.

- Upon dissolution, the town would receive responsibility for maintenance of village roads. They would similarly receive the CHIPS funding and be able to maintain the current road network. The town highway budget would be increased by about \$25,000 to accommodate the additional maintenance and repairs for village streets that will be funded primarily by CHIPS aid.

## Sidewalks

The village of Van Etten has sidewalks along a number of the village streets. The sidewalks are owned by the village. The village allocated \$13,000 in 2017 for the repair, maintenance and extension of the sidewalk system. The money expended for sidewalk repair is reimbursed through CHIPS funds. The sidewalk system is focused on Main Street, Gee Street (Route 34) and other streets in the center portion of the village and near the school. Property owners are responsible for keeping the sidewalk passable during adverse weather. The system is funded through general revenue of the village.

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- Upon dissolution, the Town would likely establish a Special Sidewalk District for the purpose of raising funds for the maintenance and development of sidewalks inside the former village. For our model, we assume that the costs would be shared on an assessed value basis for all residents of the former village with much of the cost being supported through CHIPS funding.

## Skate Park

The village owns and maintains a skate park for the use of its residents and the community. The skate park has a budget of \$750 for annual maintenance. The property is adjacent to the school grounds. The skate park is insured for about \$20,000 worth of equipment for replacement, although it might not be worth that amount.

- Upon dissolution, the town would become responsible for management of this area and would provide for upkeep of the park.

## Speed Limits

The village has a law reducing the speed limit near the school. That law would remain in effect for two years after the village dissolved or until the town acted upon it. It is likely that the limits would remain. There are reduced speed limits on state and county roads in the village.

- Upon dissolution, the county and state are unlikely to change the existing speed limits without explicit lobbying by residents. The town would likely adopt the school speed limits.

## Streetlights

The village has about fifty streetlights spread throughout the village, including at each street intersection. The lights are owned and operated by New York State Electric and Gas. The village pays for the costs of the system about \$12,000 per year, out of its general funds.

- Upon dissolution, the town would likely establish a streetlight district and levy a tax based on assessed value to the property in the former village.

## Water Services

There are 204 customers served by the village water system. Almost all of them are in the village limits, although a few are adjacent to the village. All operations for the water system are funded through a separate village budget. The water system has a system operator that is responsible the transmission of the water including for daily

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checks of water quality, inspecting of water system equipment, maintaining records, monitoring disinfection system and collecting samples. The operator must maintain an appropriate license for the system. The operator is paid \$950 per month plus mileage.

The village uses a local contractor to conduct any repairs on the system and are billed hourly for the repairs. As noted above, the village clerk conducts the meter reads and manages the billing operation. She is compensated \$900 per month for these services.

A member of the village board volunteers to mow and cut back brush around the main water tank. The water liaison for the village board also marks water lines when there is a request through 811. These two activities help reduce the cost of the water service. There is a contract for mowing around the pump station. A local farmer manages the field above the water source and harvests the hay under a handshake agreement.

The village has budgeted \$136,950 for the water district this year. Fifty-three percent of that cost is for the debt associated with the district and will remain essentially level until 2035.

Water system customers pay a fixed fee for the service and the first 2,000 gallons of use of \$33 per month. (Vacant lots in the village are charged \$138 annually for hydrant service). Additional water is charged more for the usage.

- Water service will be maintained after dissolution through the use of special district. The Town Board will likely govern the district and operate it in a similar manner that it is operated today.

## Youth Services

The village spends \$250 a year to support a regional youth program called Panther PAK that is managed by the Village of Spencer. The program supports summer activities for area youth.

- The Town of Van Etten contributes \$6,500 a year to the Panther PAK program and that support would enable all eligible residents to continue participating in the program, although their might be an additional contribution required for the program.

## Other Services

The village budgets \$1,500 for community beautification. The village budgets \$250 a year for flood control to a part of consortium. Also, there are members of the village, including Board of Trustees, that volunteer their time to perform small tasks around the village such a plowing sections of the sidewalk after a heavy snow or mowing the grass on village owned property.

- Under dissolution, the town would continue both expenses through the town wide fund. The town might also need to pay for a person to perform the tasks currently done by volunteers.

## Fiscal Impacts

The fiscal impact of a change in the method of governance can be significant. There is often a tradeoff between levels of service and the amount spent by a municipality. A village resident pays a variety of taxes for the services in the community. At the local level, they pay taxes to village, town, school district, county and library district. They also pay sales tax that is collected by the state and county.

### Sales Tax

In 2017, the village received \$52,441 from the county. This was a 17 percent reduction from the \$61,765 received in 2016. This is part of a county plan to reduce the amount shared with local municipalities gradually through the year 2018.

The sales tax in Chemung County is shared based on population of the community. The town's current share is based on the town outside village population. The town would receive the village's share after dissolution because they would now only be town residents.

### Property Tax

The village and town have had relatively stable tax rolls for the last five years with only a cumulative five-percent growth. The village accounts for about 20 percent of the taxable assessed value in the town.

Taxable Assessed Value (in Millions)						
Van Etten	2012	2013	2014	2015	2016	2017
Whole Town	\$76.88	\$84.55	\$81.66	\$80.91	\$81.70	\$80.57
Village	\$15.59	\$15.92	\$15.86	\$16.73	\$16.91	\$16.12
Town Outside Village	\$61.29	\$68.62	\$65.81	\$64.18	\$64.79	\$64.46

The trend for the property tax rate in the town and county has been stable for the last five years. The village's tax rate has increased more than 50 percent from \$2.61 in 2012 to \$4.01 in 2017. The school district has increased about 12 percent and the town's fire protection district is up about 16 percent. Over the last five years, a village resident's total tax bill has gone up about 12 percent from \$33.48 in 2012 to \$37.62 in 2017.

Van Etten Property Tax Rates (per \$1,000 assessed value)						
	2012	2013	2014	2015	2016	2017
County (Inside)	\$7.005	\$7.347	\$6.964	\$6.859	\$6.849	\$7.064
County (Outside)	\$6.997	\$7.346	\$6.979	\$7.585	\$6.848	\$7.058
Community Colleges	\$0.123	\$0.493	\$0.923	\$0.873	\$0.865	\$0.608
Library District	\$0.655	\$0.689	\$0.645	\$0.662	\$0.643	\$0.684
Town of Van Etten ( In)	\$6.454	\$6.743	\$6.394	\$6.664	\$6.699	\$6.646
Town of Van Etten (Out)	\$6.454	\$6.742	\$6.408	\$6.663	\$6.698	\$6.640
Van Etten Fire District	\$1.108	\$1.245	\$1.304	\$1.355	\$1.407	\$1.288
Village of Van Etten	\$2.613	\$2.694	\$3.360	\$4.009	\$4.009	\$4.011
Spencer Van Etten School	\$16.644	\$18.318	\$17.728	\$18.227	\$18.094	\$18.617

Village and town residents have different tax bills. In 2017, village resident pays about 8 percent more on their total tax bill than a town resident for a house of the same value. For a median value home, this is about \$250 more a year or slightly more \$20 a month.

Existing Tax Structure		
	Town Outside Village	Village
County	\$7.0581	\$7.0644
Community College	\$0.6077	\$0.6077
Library	\$0.6843	\$0.6843
Town	\$6.6395	\$6.6459
Fire	\$1.2879	n/a
Village	n/a	\$4.0112
School	\$18.6172	\$18.6172
Total Tax rates	\$34.8946	\$37.6306
Median Value Tax Bill	\$3,141	\$3,387

The process of dissolution will only impact the village, town and fire service taxes, which together account for about 30 percent of the property tax bill. The remaining 70

percent goes to the school, county and library, which is not impacted by the dissolution process. Additionally, water district fees will not be substantially impacted by the dissolution.

## Citizen's Empowerment Tax Credit

As part of the state dissolution law, a town where a village dissolves will receive additional aid to municipalities (AIM) after dissolution and in subsequent years. The Citizen's Empowerment Tax Credit (CETC) is equal to 15 percent of the combined tax levies of the town and village general funds in the year before dissolution. There is no limit to the additional aid. Under existing law, it would continue perpetually to benefit the Town of Van Etten if the village chose to dissolve.

If the village dissolves in 2018, the town could expect to receive the CETC aid in 2018. The estimated CETC is about \$92,000, or 35 percent more than the villages whole tax levy.

CETC Estimation	
Townwide General (A Fund) Tax Levy	\$ 220,137
Townwide Highway (DA Fund) Tax Levy	\$ 324,060
Village General Tax Levy	\$ 67,890
Estimated CETC	\$ 91,813

## Projected Fiscal Impact

Using the service assumptions outlined above, a hypothetical budget and operational plan was developed for the town after dissolution of the village. The combined operations, including fire, water and highway funds, of the Town and Village in 2017 are about \$1.8 million. The village accounts for only about 20 percent of the total expenditures.

## Background on Projections

Following the assumptions outlined above (such as switching refuse collection to resident responsibility, eliminating village elected positions, transitioning to Community Fire & Rescue) about \$108,000 of expenses would be eliminated from the total budget. The new town budget would have a general fund, highway fund and fire protection district fund that would be supported, in part, by property tax from all properties in the town. The town would also establish a special district for sidewalk and streetlight maintenance that would be supported by a property tax from properties in the former village. A water district would also be established and managed by the town to continue to provide water services to the residents.

As part of this model, all existing revenues such as CHIPs and the county sales tax distribution were included. The CETC aid is included at 85 percent of the total grant, allowing the other 15 percent to be used to develop new programs in the community.<sup>4</sup> However, the town would not be allowed to collect the utilities gross receipts tax (which is paid by village residents) which reduces that revenue by about \$3,000 a year.

## High Level Overview

The table below gives a high level overview of how the budgets would be impacted if the village were to dissolve. The table does not show the \$108,000 in expenses eliminated above.

Town of Van Etten Budget Model		
	Existing	Projected
Town General Funds	\$ 420,087	\$ 449,667
Highway Funds	\$ 895,386	\$ 920,386
Fire Protection District	\$ 108,000	\$ 126,500
Water District*	\$ 136,950	\$ 136,950
Street and Sidewalk*	\$ 29,000	\$ 29,000
Totals	\$ 1,589,423	\$ 1,662,503
<i>*Currently a part of village budgets</i>		

## Impact to Village Residents

If the village dissolves, the village tax payer will see their property tax bill for local government services (town and village services) drop by about 29 percent from \$10.66 per thousand to \$7.50 per thousand. This also represents a savings of 8 percent on the total property tax bill from \$37.63 to \$34.47. For a median value home of \$90,000, this will result in savings of about \$280 a year.

<sup>4</sup> The law requires a minimum of 70 percent of CETC to be used to reduce taxes. Using 85 percent is a middle path that allows the community to

Village of Van Etten Tax Structure		
	Current	Potential
County	\$ 7.0644	\$ 7.0644
Community College	\$ 0.6077	\$ 0.6077
Library	\$ 0.6843	\$ 0.6843
Town	\$ 6.6459	\$ 5.2000
Fire	n/a	\$ 1.4000
Village	\$ 4.0112	\$ -
Sidewalk and Lights		\$ 0.9000
School	\$ 18.6172	\$ 18.6172
Total Rate	\$ 37.6306	\$ 34.47
Median Value Home Tax Bill	\$ 3,387	\$ 3,103

However, it is important to note that residents will need to seek their own refuse service after the village dissolves. If a resident is currently placing two garbage bags out per week, their out of pocket expense for this service is \$312 which is less than private haulers by between \$40 and \$100. This additional expense has the potential to reduce the savings. The costs for the water service will remain.

### Impact to Town Residents

While town residents do not get a vote in the process, they are certainly impacted by the dissolution of the village. Because of the addition of the CETC and the non-property tax revenues that would come to the town, the town residents are also projected to see a property tax decrease. The town tax payer will see their property tax bill for local government services drop by about 19 percent from \$7.93 per thousand to \$6.60 per thousand. This also represents a savings of 4 percent on the total property tax bill from \$34.89 to \$33.57. For a median value home of \$90,000, this will result in savings of about \$120 a year.

Town of Van Etten Tax Structure		
	Current	Potential
County	\$ 7.0581	\$ 7.0581
Community College	\$ 0.6077	\$ 0.6077
Library	\$ 0.6843	\$ 0.6843
Town	\$ 6.6395	\$ 5.2000
Fire	\$ 1.2879	\$ 1.4000
School	\$ 18.6172	\$ 18.6172
Total	\$ 34.89	\$ 33.57
Median Value Home Tax Bill	\$ 3,141	\$ 3,021



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## Other Impacts

While the fiscal impacts often receive the headline in terms of dissolution, there are other impacts that need to be considered.

### Community Identity

In the case of Van Etten, there would be no change in the name of the community, but the village boundaries would be dissolved. The center of the community would not be incorporated as a government, but would continue to exist unchanged. The future of the village buildings will impact the sense of community, particularly for non-governmental programs that are held at the location.

### Strength of Connection

Currently, village residents have a strong connection with their governing bodies through their 1 in 500 relationship. They also have a connection of 1 in 1,600 with the town government. This diluted relationship is still quite strong on relative terms. However, individual concerns might not have the same strength if only represented by the town.

### Future Considerations

The village has had to raise their property tax levy and rate more than 50 percent in the last five years. They have also been using fund balance to reduce the amount they need to raise. These are both potential worrisome trends. The village has been good stewards of government in relying on the town for more expensive services and soliciting volunteers to assist in some tasks such as mowing property or clearing sidewalks

However, the current model may be challenging to sustain in the future and their might be additional expenses related to mowing and maintaining sidewalks. Also, the fire department is likely to need newer apparatus in the near future and some of their operating equipment (hoses, turnout gear, SCBAs) appears to be near the end of its service life. These are all substantial expenses that will need to be either underwritten by taxes or funded through grants. It is reasonable to expect the village fire department share of the budget to increase by \$20,000 a year or more in the next several years to maintain its current level of service.

## Dissolution Process

Village residents will vote on November 13<sup>th</sup> to dissolve or keep their village government. If the decision is to dissolve, the Village Board will need to create a dissolution plan that will describe the actions that will be undertaken to dissolve the village and provide service to the residents after dissolution. Village residents will have an opportunity to engage in the development of the dissolution plan. The plan must be adopted by the Village Board within 180 days of the dissolution vote. After it is adopted, the plan is presented to the public and is subject to both revision and a referendum. The time between a vote for dissolution and the actual dissolution varies depending on the process but is usually more than a year. There are state grants available to defray costs specifically related to dissolution.

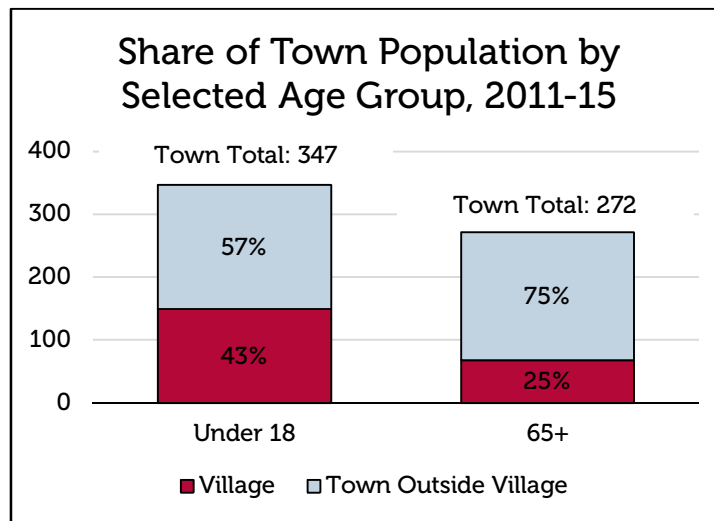
## Demographic Context

The Van Etten Community population has been relatively stable for that last two and half decades. About 4 in 10 residents in the town live in the village.

Population by Location				
Total Population	1990	2000	2010	2011-15
Town	1,507	1,518	1,557	1,628
Village	552	581	537	602
Town Outside Village	955	937	1,020	1,026
Share of Population	1990	2000	2010	2011-15
Village	37%	38%	34%	37%
Town Outside Village	63%	62%	66%	63%

The town and village are both almost exclusively white (both over 95 percent), with a poverty rate around 14 percent, and a median household income near \$50,000 a year. Close to 90 percent have graduated high school and nearly 20 percent have a bachelor's degree or higher in both the town and village.

The villages' share of residents under 20 years old is slightly higher (six percent) than its share of total residents while its share of residents over 65 is about 15 percent lower than its share of residents.



## Key Findings

A village tax payer would see some financial benefit (about \$284 for a median value home) with very little change to their services. This would be about an additional \$5.45 a week. This would be recurring savings each year. Most services would be delivered by the same organizations or people that do it today, but they would be organized through town special districts (water, streetlights, sidewalks) or absorbed directly into town operations (zoning, road maintenance and cemetery).

The biggest change in service would be for the fire department. There was not an in-depth objective analysis related to the quality of the services. CFR would likely be responding from a mile and half outside the village, but this is may be partially mitigated by the differences in staffing and the fact that CFR almost always has a first response vehicle staffed and available as opposed to the village fire department that needs to have a person respond to the station. Also, CFR members do have additional EMS equipment for allergic reactions and overdoses. CFR also has more trained members for both EMS and firefighting than the village. The issue related to fire services deserves an in-depth and objective comparison between the departments by a neutral party before a suggestion as to the true impact to service can be made. This impact report did not have the scope to complete this analysis.

The village residents would face reduced representation as they would only have one layer of local government representing 1,600 people and they would need to work cooperatively with all the town residents to receive the services they are seeking. Finally, some services and roles would go away altogether such as the village board, clerk and mayor.

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# Appendix- Insurance Service Organization PPC Rating

ISO PPC Rating Explanation (taken directly from ISO website)

The Public Protection Classification (PPC™) program provides important, up-to-date information about municipal fire protection services in each community we survey. ISO's expert staff collects information about the quality of public fire protection in more than 47,500 fire protection areas across the United States. In each of those protection areas, ISO analyzes the relevant data and assigns a Public Protection Classification – a grading from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.

Most U.S. insurers of home and business properties use ISO's PPC in calculating premiums. In general, the price of insurance in a community with a good PPC is lower than in a community with a poor PPC, assuming all other factors are equal.

To determine a community's Public Protection Classification (PPC™), ISO conducts a field survey. Expert ISO staff visit the community to observe and evaluate features of the fire protection systems. Using our manual called the Fire Suppression Rating Schedule (FSRS), ISO objectively evaluates four major areas:

- **Emergency communications systems**  
A review of the emergency communications systems accounts for 10 points of the total classification. The review focuses on the community's facilities and support for handling and dispatching alarms for structure fires.
- **Fire department**  
A review of the fire department accounts for 50 points of the total classification. ISO focuses on a community's fire suppression capabilities. We measure suppression capabilities based on the fire department's first-alarm response and initial attack to minimize potential loss. Here, ISO reviews such items as engine companies, ladder or service companies, deployment of fire companies, equipment carried on apparatus, pumping capacity, reserve apparatus, company personnel, and training.
- **Water supply**  
A review of the water supply system accounts for 40 points of the total classification. ISO evaluates the community's water supply system to determine the adequacy for fire suppression purposes. We also consider hydrant size, type, and installation, as well as the frequency and completeness of hydrant inspection and flow-testing programs.

- **Community risk reduction**

We review a community's risk reduction efforts and credit them in the Community Risk Reduction section, which allows for extra credit of up to 5.5 points for a potential total of 105.5. That takes into account fire prevention code adoption and enforcement, public fire safety education, and fire investigation.

After completing the field survey, ISO analyzes the data and calculates a PPC. The grading then undergoes a quality review. The community will receive a notification letter identifying the new PPC. ISO also provides a hydrant-flow summary sheet, along with a Public Protection Classification Summary Report. The summary explains each subcategory and indicates the total points the community earned. The report also indicates the performance needed to receive full credit for each specific section in the schedule, as well as the quantity actually provided.

## About Split Classifications

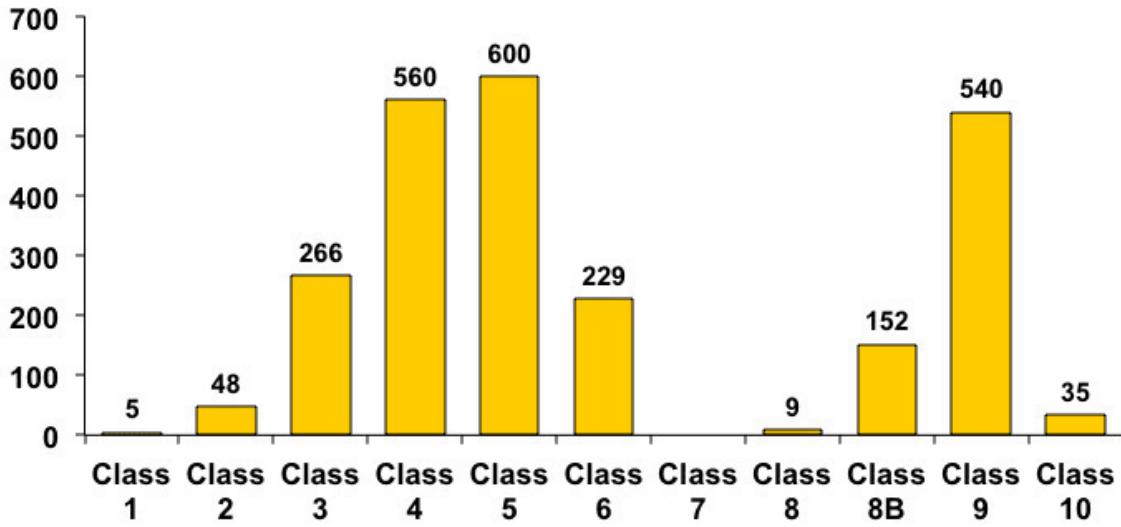
When ISO develops a single Public Protection Classification (PPC™) for a community, all community properties receive that classification. However, in many communities, we develop split classifications, which we revised in 2013 to reflect the risk of loss more precisely. An example of the split classification is 4/4X or 4/4Y. The first number refers to the classification of properties within 5 road miles of a fire station and within 1,000 feet of a creditable water supply. The second number, with either the X or Y designation, applies to properties within 5 road miles of a fire station but beyond 1,000 feet of a creditable water supply. ISO generally assigns Class 10 to properties beyond 5 road miles.

The X and Y classifications replace the former 9 and 8B portions of a split classification, respectively. For example, a community formerly graded as a split 6/9 will change to a split 6/6X. Similarly, a community formerly graded as a split 6/8B classification will change to a split 6/6Y classification. Those designations reflect a reduction in fire severity and loss and have the potential to reduce property insurance premiums.

## Local Comparison

The distribution of ISO PPC classifications in New York is shown on the chart below. 35% of all fire departments score a 4 or lower, better than the two departments in Van Etten. There are also about 40 % who have a worse rating than Van Etten.

### New York



(Source: [www.isomitigation.com](http://www.isomitigation.com), various pages, 7/26/16)