

Village of Chaumont Dissolution Study

Village Services - Alternatives

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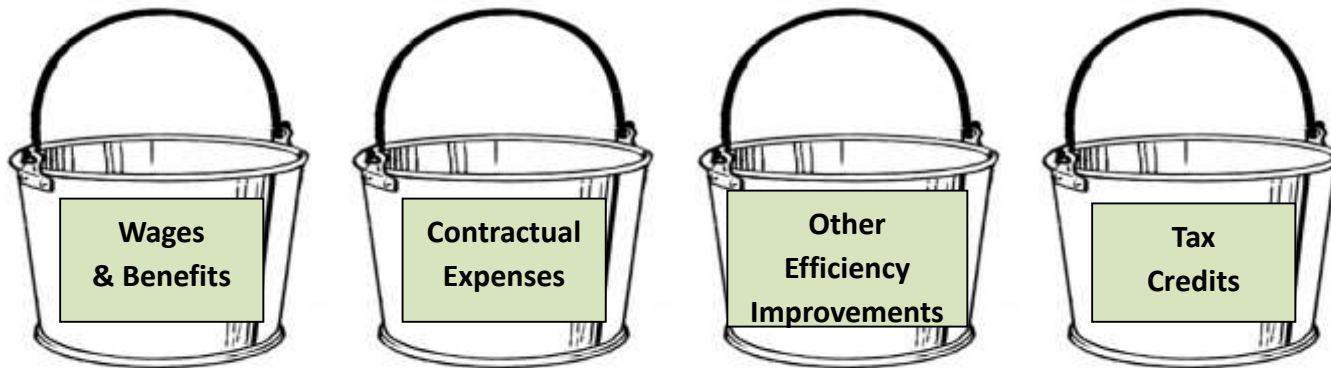


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Alternatives Objectives

The Committee will develop a “Base Case” for dissolution and evaluate alternatives outside of dissolution

Task	Status
1. Brainstorm recommendations for alternative delivery of Village services	In Process
2. Categorize recommendations into specific budgets for potential cost savings	In Process
3. Analyze each recommendation: delivery method, cost, and cost savings	In Process
4. Draft Alternatives Report with the recommendations and details	Pending



Note: all cost figures are from FYE 2018 for the Village and Town unless otherwise noted.

Alternatives

If the Village dissolved, some expenses could be eliminated because they are costs specific to the Village government and would not carry over to the Town:

Expense Item	Cost	Basis
Mayor, Personal Services	\$5,500	Position is eliminated with expenses
Village Board, Personal Services	\$6,200	Position is eliminated with expenses
Village Treasurer, Contractual (Expenses include annual support fee for software, office equipment, office supplies, clerk association dues/training, legal notices, postage, etc.)	\$6,163	The Town has its own software, supplies, etc., for the Town Clerk/Treasurer
Law, Contractual	\$611	Expense is eliminated
Municipal Association Dues, Contractual (This expense was paid out of the water and sewer funds in 2018 and the general fund in 2019)	\$777	Expense is eliminated

Outside of dissolution:

Are there any alternatives to service delivery or opportunities for savings with these expenses?

Alternatives

Unallocated Insurance = \$10,275 Contractual in 2018 but policy was canceled.

New insurance premium is \$24,242.

This insurance covers buildings, vehicles, parks, property, and other general municipal assets.

- Insurance agency has estimated new costs if Town took over all the assets, and it will be less than the Village's amount because the Town does not have the same claims history. A round estimate is \$13,000 increase to Town's current costs if the Town takes over all of the Village's assets.
- The Town paid \$35,584 in unallocated insurance in 2018.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Library = \$2,800 Contractual

The Village contributes this amount annually to the Library.

- The Town paid \$12,000 in contractual expenses to the Library
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives

Buildings = \$1,199 Personal Services and \$3,677 Contractual

Expenses are for Village-owned buildings maintenance and repair, DPW salary, and to pay for electricity.

- If the Village dissolved, the Town would assume responsibility for all Village-owned property.
- Town costs for Buildings was \$1,917 Personal Services; \$381,736 Equipment and Capital Outlay; \$48,132 Contractual
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Central Garage = \$3,692 Personal Services and \$12,535 Contractual

Expenses include garage maintenance and supplies, tools, and DPW salary.

- Would the Town take over all of these costs?
- Would the Town use the DPW Garage?
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives

Maintenance of Streets = \$28,674 Personal Services and \$370 Contractual

The Village pays for street maintenance work and DPW salary from this expense category. The Village receives CHIPS funds as revenue to offset some of these costs and Permanent Highway Improvements costs (paving). In FYE 2018, the Village received \$27,798 in CHIPS revenue.

- If the Village dissolved, the Village streets would become Town responsibility. The Town also receives CHIPS funds, and the committee can estimate that the Town would receive additional CHIPS revenue equal to what the Village receives.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Permanent Highway Improvements (Paving) = \$19,798 Contractual

This expense is for paving of Village streets. CHIPS funds offset some of these costs.

- Village streets would become Town responsibility.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives

Brush and Weeds = \$6,797 Personal Services

DPW salary to mow grass, weed-whack, cut brush, and trim trees on Village-owned property, right-of-ways, and around sewer pump stations.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Snow Removal = \$11,106 Personal Services and \$1,698 Contractual

DPW salary for snow plowing and snow removal, and contractual costs related to snow removal, including supplies, fuel and maintenance for the plow trucks and sander. Snow removal includes all village streets, village property, beach parking lot, library, fire hall, town water station, and the Town/Village municipal office. The DPW also clears some the sidewalks going to the school.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives

Parks = \$14,697 Personal Services and \$3,506 Contractual

DPW salary for maintaining Memorial Park and the Beach Park, and contractual expenses for the electric at Memorial Park, phone line and port-a-johns for the beach park, and the playground equipment.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Playground and Rec Centers = \$9,892 Personal Services and \$2,578 Contractual

Salaries for the beach lifeguards and contractual expenses for maintaining the beach and other village-owned properties including sand, fencing, signage, and tools.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Other Culture and Rec = \$400 Contractual

Expenses included \$300 for the Garden Club (increased to \$400 in 2019) and \$100 for the Lyme Light Newsletter.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives

Zoning = \$4,170 Personal Services and \$50 Contractual

Compensation for Zoning Board members and zoning related costs.

- The Town paid \$21,640 personal services and \$1,093 contractual for zoning.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Planning = \$1,115 Contractual

This expense includes costs for planning board member training.

- The Town paid \$5,468 personal services and \$1,093 contractual for planning.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives

Street Lighting = \$12,033 Contractual

If the Village dissolved, the Village street lights would become a Town expense.

- The Town currently has a lighting district in Three Mile Bay and taxpayers in the district pay a flat rate based on cost of lighting and number of properties in the district.
- *How does the committee want to handle this expense?*

Refuse and Garbage = \$29,166 Personal Services and \$19,269 Contractual

DPW salary for recycling pick-up and the Village contracts for garbage services through an outside hauler.

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives - Capital Project Fund and General Fund Debt

Capital Project Fund = \$128,653

The Village uses the Capital Project Fund to pay for the River Crossing Water System project debt.

- These costs would stay with the water district that would be formed for the Village water customers if the Village dissolved.
- *How does the committee want to handle this expense?*

General Fund Backhoe Debt = \$55,995 remaining as of 5/31/19

If the Village dissolved, the Town would take over the remaining debt. The Town may want the backhoe and could take over payments, the Village could sell the backhoe before dissolution, or the Village could use fund balance towards paying off this debt before dissolution occurred.

- *How does the committee want to handle this expense?*

Alternatives

Fire = \$15,000 Contractual (\$16,000 for 2019 cost, used for calculations below)

➤ This expense is for fire services provided by the Chaumont Volunteer Fire Company Inc.

There are two options for continuation of Fire Services if the Village Dissolves:

1. The Town could form a Fire District for the former Village Area and contract with a fire company for services.
 - Taxpayers within the Fire District would elect a Fire Board of Commissioners.
 - Calculated rate: \$0.428 per \$1,000 of assessed value for taxpayers within the Fire District.
2. The Town could include the former Village area in its Fire Protection District and contract with a fire company for services.
 - The Town Board serves as the Fire Board of Commissioners.
 - Calculated rate: \$0.435 per \$1,000 of assessed value for taxpayers within the entire Fire Protection District (Village and Town).
 - There would be no increase in the rate that Town taxpayers in the Fire Protection District paid in 2018.

➤ *How does the committee want to handle this expense?*

Fire Services Alternatives - Options

2019 Contracts	New "Former Village Area" Fire District	Existing Town Fire Protection District	New Town Fire Protection District with Village Area
Fire Services	\$16,000	\$157,000	\$173,000
Taxable Assessed Value for 2019 (Town TAV for Special Fire District)	\$37,425,339	\$360,628,704	\$398,054,043
Computed Cost Per \$1,000 for Fire Services	\$0.428	\$0.435	\$0.435

NYS Retirement Deficiency Payment

The Village of Chaumont makes payments to the New York State Retirement System to make up for a deficiency due to several years where the Village was not participating in the state retirement system but had employees who were eligible. The Village pays an annual installment to pay off this deficiency and has only paid 6 of 25 installments as of September 2019. The office of the NYS and Local Retirement System (NYSLRS) office advised that the deficiency balance, which currently is about \$40,000, would pass to the Town in the event of dissolution.

Options:

- Pay the balance off before dissolution to avoid the obligation going to the Town
- If the Village cannot pay the balance off, the NYSLRS would negotiate payments with the Town, and the Town would apply these costs to the former Village area taxpayers, not the whole Town.

Alternatives - Wages & Benefits

If the Village dissolved:

The Village Clerk/Treasurer has duties that the Town would take over, and so this position needs additional discussion:

- Village Clerk/Treasurer: \$44,000 salary, includes personal services from General Fund (\$15,967), Water Fund (\$15,852) and Sewer Fund (\$15,828). These costs also include salary expenses for the part-time deputy clerk, which were \$3,647 in 2018.
 - If the Village dissolved, most of the duties of the Village Clerk/Treasurer would be eliminated: tax collection, administrative duties, annual state financial reporting, etc. There are other tasks that would be transferred to the Town, including beach passes and park reservation fee collection, advertising and hiring lifeguards, coordinating certifications for beach lifeguards, and submitting the application for the beach permit from NYS Department of Health.
 - The Town would have to take over water and sewer billing duties and these costs would stay with the districts.
- *Who will take over the other duties that the Village Clerk handles that would be transferred to the Town? Would this increase any Town salaries?*

Alternatives - Water

If the Village dissolved, residents who receive Village water services would continue to receive services through the formation of a Water District under the Town. Revenues, Expenditures, and Fund Balance reported in the Village Annual Update Document under the Water Fund would stay with the Water District, as well as any water debt.

Expenses for Village DPW employee wages for labor on water-related tasks are accounted for accurately in the Water Fund. The water operator labor to run the water system in 2018 was \$18,394. The Clerk's labor for administrative duties, including billing, in 2018 was \$15,852.

FYE 2018 Water Fund Revenue = \$190,007

- Revenue includes Metered Water Sales, Water Service Charges, and Interest and Penalties on Water Rents.

FYE 2018 Water Fund Expenses = \$170,458

- These expenses include Water Administration, Source Supply Power and Pump, Water Purification, Water Transmission and Distribution System, and Debt Principal and Interest Serial Bonds (payment for water debt), and Employee Benefits.

FYE 2018 Fund Balance = \$48,465

The Town would assume responsibility for the Water System and could:

- Utilize current water licensed Town employees to run the water system
- Hire additional licensed operators to run the water system
- Contract for water system operation services

Alternatives - Sewer

If the Village dissolved, residents who receive Village sewer services would continue to receive services through the formation of a Sewer District under the Town. Revenues, Expenditures, and Fund Balance reported in the Village Annual Update Document under the Sewer Fund would stay with the Sewer District, as well as any sewer debt.

Expenses for Village DPW employee wages for labor on sewer-related tasks are accounted for accurately in the Sewer Fund. The sewer operator labor to run the sewer system in 2018 was \$28,078. The Clerk's labor for administrative duties, including billing, in 2018 was \$15,828.

FYE 2018 Sewer Fund Revenue = \$291,946

- Revenue includes Sewer Rents, Sewer Charges, and Interest and Penalties on Sewer Accounts, and a \$100,000 Insurance Recovery payment that is not a typical revenue source.

FYE 2018 Sewer Fund Expenses = \$169,337

- These expenses include Sewer Administration, Sanitary Sewers, Sewage Treatment and Disposal, Storm Sewers, Employee Benefits, and Debt Principal Serial Bonds (payment on sewer debt).

FYE 2018 Sewer Fund Balance = \$170,971

The Town would assume responsibility for Sewer System and could:

- Hire licensed operators to run the sewer system
- Train and license current Town employees to run the sewer system
- Contract for sewer system operation services

Alternatives - Other Efficiencies?

Are there other aspects of government or services where efficiencies could be gained?

Are there other Village/Town opportunities to share expenses or work together?

Any new ideas for future municipal cooperation if the Village did not dissolve?

Alternatives - Next Steps

- The committee's recommendations for alternatives are compiled into a spreadsheet that calculates the savings achieved from wages & benefits, contractual, and other efficiencies.
- The savings factor into the calculations for the new Town tax rates that would result from Village dissolution.
- All of this information will be compiled into an Alternatives Report.

Questions or Comments?



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