

Village of Chaumont Dissolution Study

Public Informational Meeting #2

February 26, 2020 7:00 pm Chaumont Fire Hall



Visit the website: <https://www.danc.org/chaumont-study>

Village of Chaumont Dissolution Study - Introductions

Chaumont Study Committee Members

Scott Aubertine, Town Supervisor
Ed Demattia, Town Resident
Robin Grovesteen, Village Resident
Fred Jackson, Village Resident
Bill Johnson, Town Resident
Jim Morrow, Village Trustee
Scott Radley, Village Resident
Valerie Rust, Village Mayor
Marcie Travers-Barth, Town Resident
Pat Weston, Town Highway Superintendent

Consultant: Development Authority of the North Country

Carrie Tuttle - Director of Engineering
Star Carter - Assistant Director of Engineering
Warren Salo - GIS Specialist

Department of State: Local Government Specialist

John Demarest

Topics to Be Covered Today

- Dissolution Study Phases
- Draft Alternatives Report
- Next Steps
- Questions

Dissolution Study Funding



- The Village Board applied for a \$17,500 Citizen Reorganization Empowerment Grant in Feb. 2019
- The NYS Department of State awarded the grant to the Village in May 2019
- The grant will cover 50% of the cost of the \$35,000 Dissolution Study.

This study is being funded by and prepared in accordance with the New York State Department of State Work Plan requirements, as outlined in Contract No. T00052GG.

Dissolution Study Phases



Phase 1: Existing Conditions

- What services do the Village and Town provide to residents?
- How are municipal services provided?
- Village and Town financial, employee, and asset review
- Village and Town taxes review



Phase 2: Evaluation of Alternatives

- How can Village services be provided differently to increase efficiency?
- Study Committee explores many options to alternative service delivery, up to and including Village dissolution



Phase 3: Recommendations and Final Report

- Study Committee will submit final report to the Chaumont Village Board
- Village Board will vote to accept Recommendations and Final Report



Phase 4: Public Hearing and Referendum

- If recommendation is to dissolve the Village, the Village registered voters would be eligible to vote
- Must be a majority vote in favor of dissolution to pass

Dissolution Study

DRAFT Alternatives Report

The following is a summary of the DRAFT Alternatives Report. To calculate projected cost savings from dissolution, the committee was required to make some assumptions about future budgets and contractual costs. The committee has not taken this task lightly, and thoroughly discussed and analyzed financial statements from the Village and Town and different options for each service. The information presented in this report is the committee's best estimation of the projected cost savings and expenses, based on the actual expenses reported by the Village and the Town in their FYE 2018 Annual Update Documents (AUD) that are submitted to the State Comptroller. The committee tried to establish conservative projections of expenses and savings but acknowledges that this process requires assumptions about future conditions be made; some savings may be more and some savings may be less.

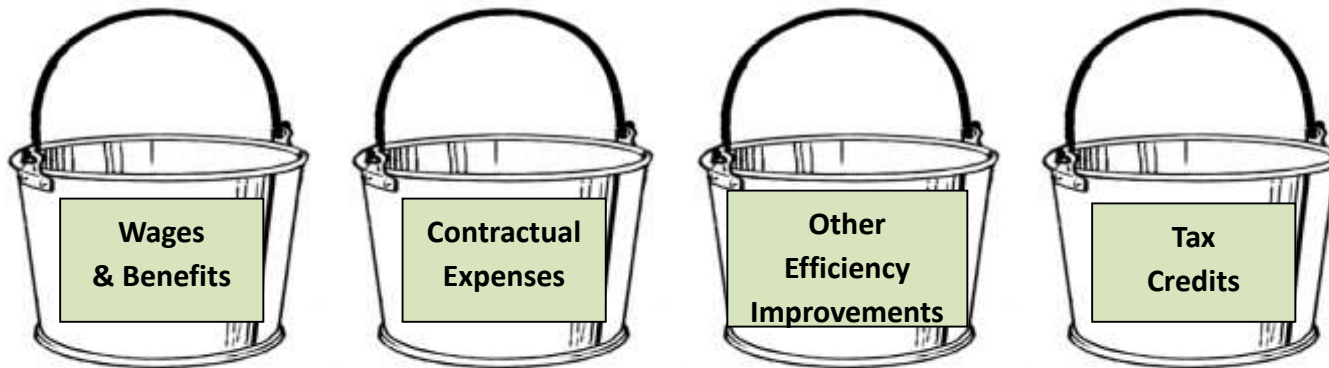
The full report and all supporting documentation
can be referenced on the study website:

www.danc.org/chaumont-study

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	Complete
2. Categorize recommendations into specific budgets for potential cost savings	Complete
3. Analyze each recommendation: delivery method, cost, and cost savings	Complete
4. Draft Alternatives Report with the recommendations and details	In Review



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

DRAFT Alternatives Report

Review the savings worksheets to go over which services and costs will be moved to the Town and which will be eliminated:

Appendix A: Wages and Benefits

Appendix B: Contractual

Note: each service and cost is explained in detail in the Draft Alternatives Report.

Special Districts - Fire

- ❖ The Village fire services are currently paid for by Village residents as part of their Village taxes. The Town has a fire protection district that includes the entire town except the Village area, and Town residents pay for fire services in their taxes for this special district.
- ❖ If the Village dissolved, the Town would include the former Village area in its Fire Protection District and continue to contract with Chaumont Volunteer Fire Company Inc. and Three Mile Bay Volunteer Fire Company Inc. for services. The Town Board would continue to serve 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, and it is a \$0.007 increase for Village taxpayers.
- ❖ Without dissolution, there would be no change to fire and rescue services.

Special Districts - Water

- ❖ If the Village dissolved, the Town would create a Water District for the former Village area and all of the revenues, expenditures, fund balance, and debts related to water services would stay within the water district, and all of the people who are currently receiving and paying for water services would continue to receive and pay for those services.
- ❖ The Village residents currently pay for water services through bi-monthly water bills, not as part of their Village taxes. The rates customers pay include the water system debt payment costs. Rates are not anticipated to increase as a result of dissolution.
- ❖ The Town would assume responsibility for the Chaumont 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
- ❖ If the Village registered voters decide in favor of dissolution, the Town will make decisions about water system operations based on the available resources at the time of dissolution.

Special Districts - Sewer

- ❖ If the Village dissolved, the Town would create a Sewer District for the former Village area and all of the revenues, expenditures, fund balance, and debts related to sewer services would stay within the sewer district, and all of the people who are currently receiving and paying for sewer services would continue to receive and pay for those services.
- ❖ The Village residents currently pay for sewer services through bi-monthly sewer bills, not as part of their Village taxes. The rates customers pay include the sewer system debt payment costs. Rates are not anticipated to increase as a result of dissolution.
- ❖ The Town would assume responsibility for the Chaumont Sewer System and could:
 - Train and license current Town employees to run the sewer system
 - Hire licensed operators to run the sewer system
 - Contract for sewer system operation services
- ❖ If the Village registered voters decide in favor of dissolution, the Town will make decisions about sewer system operations based on the available resources at the time of dissolution.

Special Districts – Refuse and Garbage

- ❖ Village taxpayers pay for garbage and recycling pick-up services as part of their Village taxes. The Village contracts with a hauler for garbage pick-up and pays Village staff wages and benefits for the recycling pick-up. The Town does not offer garbage or recycling pick-up as a municipal service to its residents.

- ❖ If the Village dissolved, the Town would form a Garbage and Refuse District for the former Village area and residents who currently receive this service would continue to pay for it through a tax rate. The current garbage hauler proposed a fee to include recycling pick-up as part of their services, and the fee is less than the cost to have municipal staff perform the recycling duties. The Town would contract with the hauler for both garbage and recycling services, and the estimated rate for the Garbage and Refuse District would be \$1.16 per \$1,000 of assessed value. For the average Village assessed property of \$107,500, the cost for these services would be \$124 per year.

- ❖ The Dissolution Study Committee had some discussion about the current system for garbage and recycling services:
 - Parcels that are tax-exempt do not pay for garbage and recycling pick-up, but may generate significant amounts of refuse. The school is a prime example of this issue.

 - Taxpayers are paying for these services based on their property's assessed value and not on the amount of refuse generated. Taxpayers with higher assessments are paying more for this service, but may not be generating more trash than others.

Special Districts – Refuse and Garbage, Continued

- ❖ The Dissolution Study Committee thought that the garbage and recycling services are important to Village residents and made the recommendation to continue the services in a similar way they are provided now. This also makes a tax impact projection feasible for this study. There are alternatives that could be explored, with or without dissolution, that were discussed by the committee:
 - The municipality could discontinue these services and residents could decide to contract with a hauler individually.
 - The municipality could reduce the pick-up frequency from weekly to twice a month to possibly reduce costs.
 - The municipality could establish a “Trash Sticker Program” where residents could decide to participate in the program by purchasing stickers to put on their trash bags for pick-up; this gives residents the option to receive the services if they want them, and pay for as much of the service as they need.

Special Districts - Lighting

- ❖ The Village taxpayers pay for lighting as part of their Village taxes. In FYE 2018, the lighting cost was \$12,033.
- ❖ The Town currently has one lighting district in the Three Mile Bay area and taxpayers in this special district are charged a flat rate on their annual tax bill based on the cost of lighting and the number of parcels paying the fee; tax-exempt and vacant parcels are not charged for lighting. In FYE 2018, the cost for lighting was \$8,002 and the flat rate was \$61.
- ❖ If the Village dissolved:
 - the Town could create a second lighting district for the Chaumont area and charge a flat rate based on the cost of lighting and the number of parcels paying the fee. The rate is estimated to be \$44.40.
 - Or, the Town could dissolve the Three Mile Bay lighting district and make the lighting costs a Town-wide General Fund expense. The estimated cost would be estimated at \$0.05 per \$1,000 of assessed value and would be part of the Town-wide tax rate. For the average Town assessed property of \$103,100, the cost of lighting would be equivalent to \$5 per year.

Special Districts – Lighting, Continued

- ❖ The DSC recommends that the Town include the lighting costs as a general fund expense and not create a new district. Including street lighting costs as a general fund expense would be a more efficient way to handle these costs, as it would remove one special district (Three Mile Bay Lighting) and avoid creating another special district (Chaumont Lighting).
- ❖ Street lighting is utilized by most Village and Town residents when they go into the larger population centers of Chaumont and Three Mile Bay to visit businesses, purchase fuel or groceries, go to the school, the post office, or the bank, or drive through on their way to other parts of the Town.
- ❖ When divided out amongst the entire Town, the lighting costs are minimal and it will require less labor to manage separate districts and billing for lighting for only certain taxpayers. Town residents in Three Mile Bay would see a reduction on their town tax bill, as they will not be paying a separate lighting fee (\$61/year in FYE 2018).
- ❖ Without dissolution, there would be no change to lighting services in the Village or the Town, unless the Town considers dissolving their lighting district outside of dissolution.

Village of Chaumont Indebtedness

Current Balance as of 5/31/19

	Village Debt Balance End of Year (5/31/19)	End Date	Rate
General Fund	\$56,000 (backhoe purchase)	12/07/2025	2.75%
Water	\$18,000 (water system upgrade)	11/17/2021	3.25%
	\$594,800 (River Crossing) Project to start Summer 2020	38 years after end of project	2.375%
Sewer	\$1,230,060	10/01/2032	0%
Total	\$1,898,860		

1. **The Village General Fund debt is for the backhoe. The Town wants this piece of equipment and would take over the remaining payments if dissolution occurred.**
2. **Village water debt would stay within the water district if dissolution occurred.**
3. **Village sewer debt would stay within the sewer district if dissolution occurred.**

Effect of Dissolution on Tax Levy and Property Taxes

Note: This study addresses property taxes that are applied to Village or Town taxable properties and only includes Village and Town taxes. Dissolution would not impact County or School taxes.

Tax Levy

The table below shows the impacts of dissolution on the tax levies and the estimated “post dissolution” Town tax levy.

	Village	Town	Total
Combined FYE 2018 Tax Levy (not including Town special districts)	\$155,900	\$214,165	\$370,065
Savings from Wages & Benefits (subtract from total levy)	-	-	-\$57,628
Savings from Contractual (subtract from total levy)	-	-	-\$12,584
Annual Citizens Empowerment Tax Credit (subtract from total levy)*	-	-	-\$55,510
Town Tax Levy if Village Dissolves & 100% Citizens Empowerment Tax Credit is Applied	-	-	\$244,343

* The Citizens Empowerment Tax Credit (CETC) is based on 15% of the combined Village and Town tax levies the year prior to dissolution, and is estimated here based on FYE 2018 figures. The actual CETC may be more or less depending on the future tax levies and the year the Village would dissolve.

Village and Town Tax Rates

FYE 2018	A Village Resident paid these taxes:	A Town Outside Village Resident paid these taxes:
Town Rate	\$0.55	\$0.55
Village Rate	\$4.20	-
Fire Protection District	-	\$0.44
Health	\$0.005	\$0.005
Total Village and Town Taxes	\$4.75	\$0.99

Dissolution Projection	A former Village Resident would pay these taxes:	A Town Outside Village Resident would pay these taxes:
Town Rate	\$0.62	\$0.62
Fire Protection District	\$0.44	\$0.44
Health	\$0.005	\$0.005
Refuse and Garbage District	\$1.16	-
Total	\$2.21	\$1.06
Dollar Change from 2018 Total	\$2.54 Decrease	\$0.07 Increase
Percent Change from 2018 Total	53% Decrease	7% Increase

Village and Town Tax Rates

- ❖ If the Village dissolved, the Village taxpayers could see an overall **decrease** of \$2.54 per \$1,000 of assessed value in their municipal taxes (53%). For the median assessed value of \$107,500, this is a decrease of \$273 per year.
- ❖ The majority Town taxpayers could see an **increase** of \$0.07 per \$1,000 of assessed value (7%). For the median assessed value of \$103,100, this is an increase of \$7 per year. The exception is the Town taxpayers in the Three Mile Bay Lighting District, who will see a decrease in their tax bills due to the dissolution of the lighting district.
- ❖ Appendix C: Projected Tax Impacts - residents of the Village and the Town can use these tables to estimate the impact of dissolution on their property taxes based on their property's assessed value. Please note: these impacts are for Village and Town taxes only; they do not include County or School taxes.
- ❖ Residents can also use the formulas below to estimate their tax decrease or increase in a dissolution scenario:

Village Projected Annual Tax Decrease
• Taxable Assessed Value of Property ÷ \$1,000 x \$2.54
Town Projected Annual Tax Increase
• Taxable Assessed Value of Property ÷ \$1,000 x \$0.07

Next Steps for Dissolution Study Committee

- ❖ Solicit and incorporate public feedback on Draft Alternatives Report.
- ❖ Finalize Alternatives Report and develop Dissolution Implementation Plan based on the Alternatives Report details.
- ❖ Submit Final Dissolution Study Report and Plan to Village Board for acceptance and approval at Village Board Meeting.
- ❖ Committee will have completed its scope of work.

Next Steps for Village Board

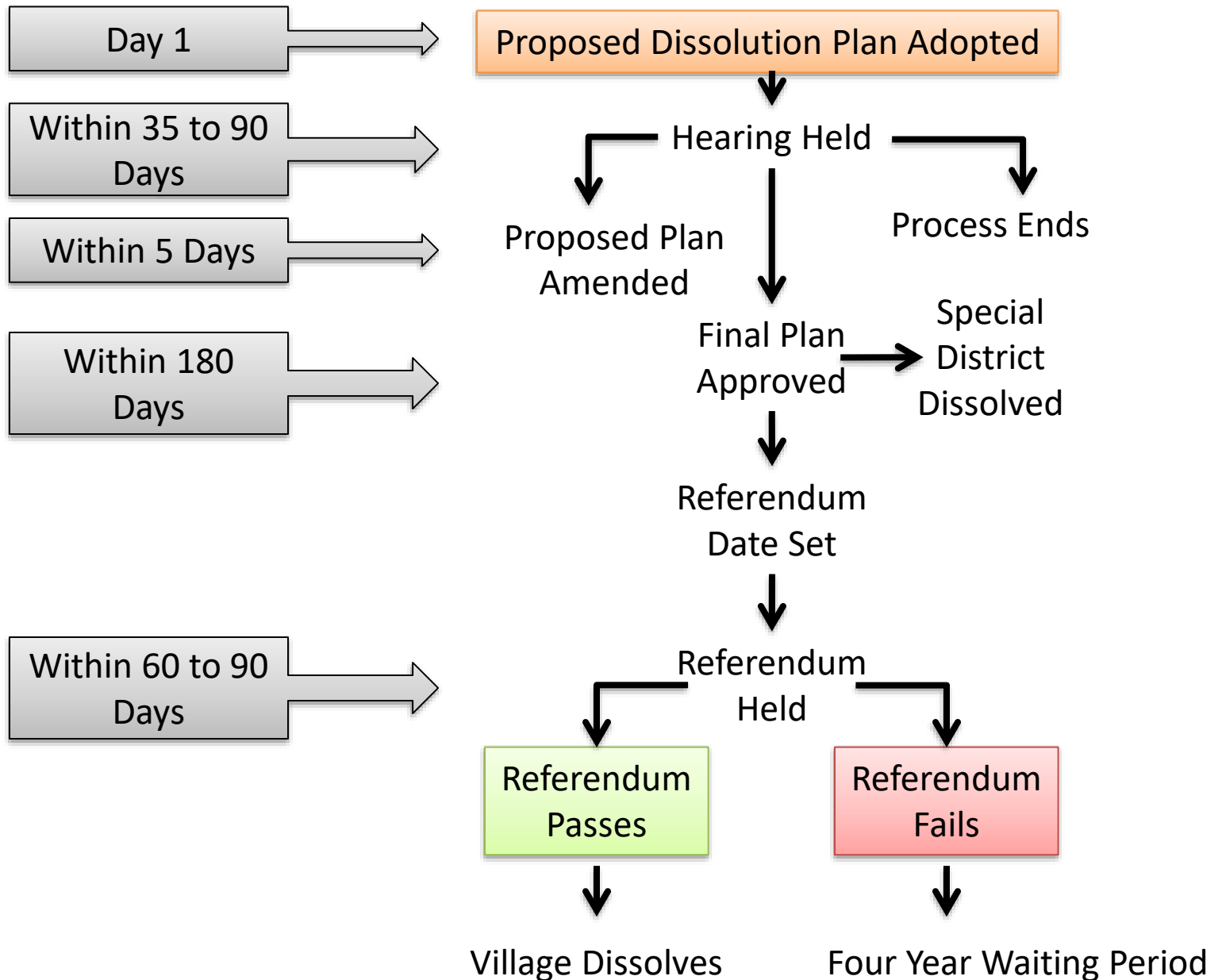
The Village Board, when presented with the Final Dissolution Study Report and Plan at the Village Board Meeting, may:

- **Accept and approve the Final Dissolution Study Report and Plan.**
 - ✓ Village Board will set a date for a Public Hearing, and based on the results of the Public Hearing, would set a date for a referendum.

- **Not accept the Final Dissolution Study Report and Plan and request changes or edits before approval is made.**
 - ✓ The Dissolution Study Committee would discuss the changes/edits requested and either make the changes to the report and resubmit, or not make the changes.

- **Not accept or approve the Final Dissolution Study Report and Plan.**
 - ✓ The Dissolution Study Committee would have completed its scope of work and the dissolution study would be complete.
 - ✓ The process stops unless a petition to vote on dissolution is filed with the Village.

Board-Initiated Dissolution Process



Questions or Comments?



Carrie Tuttle, Director of Engineering

315-661-3259

ctuttle@danc.org

Star Carter, Assistant Director of Engineering

315-661-3261

scarter@danc.org

John Demarest, Department of State

518-486-4669

John.Demarest@dos.ny.gov