

Spencer-Van Etten Town Talk: Spencer dissolution discussion

Sally Marx, Special to the Ithaca Journal Published 8:00 p.m. ET April 6, 2020

“I didn’t think it was going to come out this way, but it did,” said Ben Syden of Laberge Group, the consulting firm hired by the Spencer Village Board. Syden joined the board at their March 30 meeting by video.

He was surprised when his group ran the numbers and demonstrated that the only way the village taxpayers will benefit from dissolving the village government and consolidating with the Town is if 100% of the CETC (Citizen Empowerment Tax Credit) is assigned to reduce property taxes.

CETC funding is known as “incentive” payments to sweeten the pot to help reluctant village voters consider dissolving their government. These funds are promised “in perpetuity” but must be appropriated annually in each new year’s state budget. Syden did not know at the meeting if CETC funds were included in the new state budget that began on April 1, given the governor’s admission that the state is broke.

70% of the CETC funding must, by law, be applied to reduce taxes town-wide. Typically, this also provides significant tax reduction for a village that dissolves, but – surprisingly, not so in the case of Spencer. This summary is taken from the Laberge Group Study of Dissolution - Interim Report. If CETC funds are not allocated, former village residents will see their taxes go up 12.5%; Town-outside-Village residents will see their taxes go down 8.6%.

If CETC funds are allocated and 70% are applied to reduce taxes town-wide, former Village residents will still see their taxes go up – by 1.9%. Town-outside-Village residents do great: their taxes go down 18.3%. If the full CETC money is applied to reduce taxes town-wide, former Village residents finally get a tax break: a 2.6% reduction. Town-outside-Village residents do even better – a reduction of 22.3%.

The Laberge Group will make a few corrections to the Interim Report, the Spencer Village Board will review it again, and then it will be published in full on the Village website at <http://villageofspencer.com>.

Laberge will also create a brochure that summarizes its findings. This can be read online, downloaded or printed. Laberge hoped to have its completed report available to the public this week sometime. The actual vote on the dissolution which was supposed to be on April 28 has been postponed until June sometime, by the governor’s executive order. At this time there is no set date for the referendum or the next Village Board meeting. There is a budget hearing scheduled, however, because the Board must have one before April 15. The budget public hearing will be on April 13 at 6 p.m. It will also be streamed live on Zoom. Sign-in details to join the meeting by telephone or computer will be on the Village website.