

Village of Port Henry Dissolution Study

Informational Meeting



Introductions

Laberge Group

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Agenda

- Public Meeting Rules
- How did we get here?
- The Dissolution Study Process
- What is the Interim Report?
- Will my services change?
- Does it make “sense” or “cents”?
- What are the Pro’s and Con’s?
- Citizen Empowerment Tax Credit
- Potential Post Dissolution Fiscal Impacts
- Next Steps
- Public Comments

Public Meeting Rules

- Please sign up to speak
- Speakers will be selected in order from the sign-in sheet
- Comments will be received at the end of the presentation
- Each person will have 6 minutes to speak

How Did We Get Here?

➤ Voter-Initiated Reorganization

- June 25, 2015, the electorate of the Village of Port Henry submitted a petition for Dissolution to the Village Clerk.
- The petition contained 112 valid signatures out of 144.
- July 2, 2015, Village Clerk reviewed and certified the petition.
- July 31, 2015, the Village Board of Trustees passed a resolution calling for a Referendum on the proposed Dissolution on October 27, 2015.
- No further action is required of the Village Board until after the referendum
- The Village has chosen to provide information prior to the referendum.

Dissolution Vs. Consolidation

	Dissolution	Consolidation
Definition	The termination of a local government entity.	The elimination of the original governments and the forming of a new local government entity or the merger of one surviving government entity with the other absorbed into it.
Services	May end or be assumed by another local government entity that may provide the service at the same or different level.	May eliminate both entity's services and form new government services or retain one government entity's services and absorb additional services from the other entity.
Documents	Dissolution Plan - Contains the terms and information regarding the dissolution of a local government entity.	Consolidation Plan - Both the Town and Village get to vote on the plan.

*Note: * This study only looks at the Dissolution of the Village of Port Henry*

Overview of the Dissolution Study Process

➤ Before the Referendum

- A public kick-off meeting was held August 18, 2015.
- Village and Town officials and staff have been interviewed.
- Public Information Meetings held on September 23, 2015 & October 21, 2015 (today).
- Interim Report (available today) & pamphlet (mailed & available online).
- Information is available on the Village/Town Website or labergegroup.com/PortHenry/
- Grant Awarded (\$50,000) for Citizens Re -Organization Empowerment Grant (CREG) Expedited Assistance Program.

Overview of the Dissolution Study Process

➤ After the Referendum

- If vote is “NO,” Dissolution will not take effect.
 - Dissolution process may not be initiated again for 4 years from the date of the Referendum.
 - Village may focus on shared services to reduce costs and improve quality.
- If vote is “YES,” Board has 180 days to develop and approve the Dissolution Plan, 90 more days to hold hearings, and within 60 days to finalize the plan.
- The Final Dissolution Plan is Subject to Permissive Referendum.

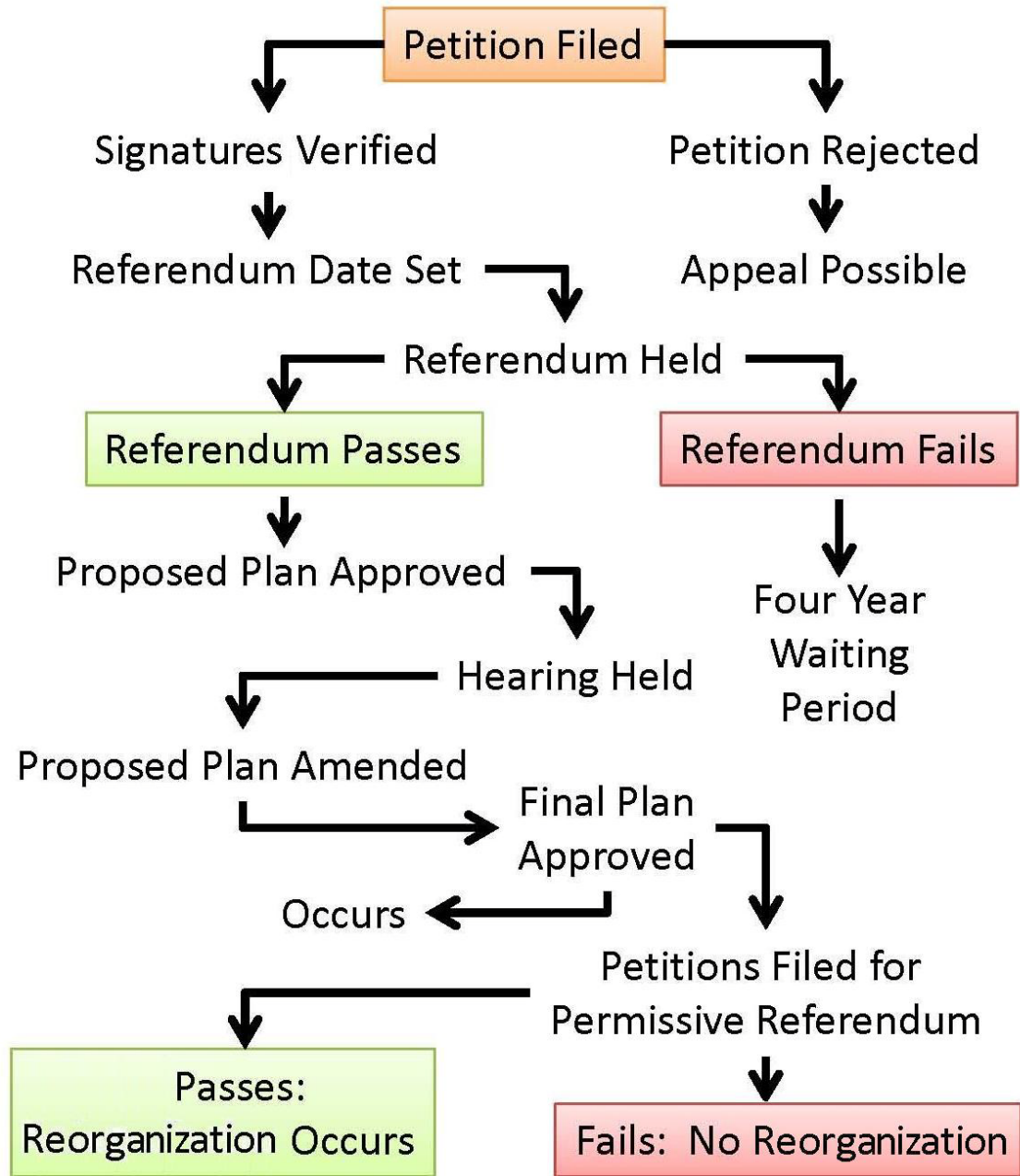
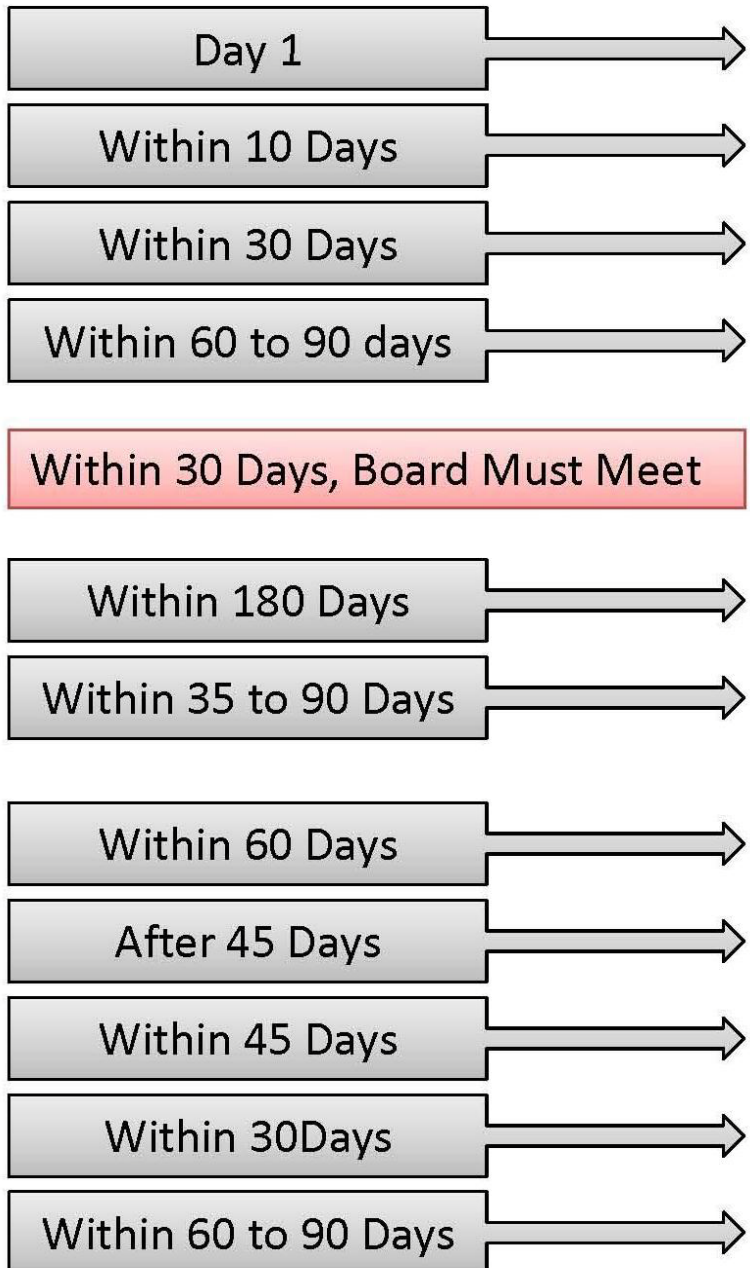
What is an Interim Study?

- The Interim Dissolution Study is intended to better educate and inform the public of the dissolution process and potential outcomes.
- The report will summarize existing services and identify the pros and cons associated with dissolution.
- A potential fiscal impact to both Village and Town residents will be developed.
- Information will be shared through public meetings, pamphlets, and the Interim Dissolution Study.

Interim Dissolution Study

- The Interim Dissolution Study includes:
 - Summary of Existing Government Services and Functions
 - Review of Municipal Services
 - Potential Post-dissolution Conditions
 - Listing of Local Laws and Land Use Regulations
 - Potential Fiscal Impact: Tax Impact of Dissolution
 - Option 1: Projected Tax Impact of Dissolution, with & without Citizen Empowerment Tax Credit (CETC) Savings
 - Option 2: Projected Tax Impact of Dissolution, with & without CETC Savings

Voter-Initiated



Will My Services Change?

Expenses to General Services

General Service:	Post Dissolution Conditions ¹	Cost Increases to Town
Mayor	Part-time position will be abolished. All duties to transfer to Town Supervisor. No additional expenses associated.	\$0.0
Village Board of Trustees	The Village Board of Trustees will be abolished. All duties transfer to the Town Board. No additional expenses associated.	\$0.0
Clerk & Treasurer	Two FT positions will be added to Town. Village Clerk could take on the role of Deputy Town Clerk. The Treasurer could take on the role of Code Enforcement Clerk and serve as additional help during tax season.	\$24,391
Attorney for the Village	Duties will be absorbed by the Town Attorney. No additional expenses associated.	\$0.0
Election Inspectors	Duties will be absorbed by Town Election Inspectors. No additional expenses associated.	\$0.0

Expenses to General Services

General Service:	Post Dissolution Conditions ¹	Cost Increases to Town
Village Hall	Village Hall will become Town property. Operation & maintenance costs will continue.	\$15,250
Special Items/Contingency	<p>The Village budgets \$18,555 for unallocated insurance (special items), \$1,026 for dues (special items). Insurance would be reduced and dues eliminated for a savings of (\$10,303).</p> <p>\$9,278 of unallocated insurance will be added to Town. \$20,000 of contingency funds will be added to the Town.</p>	\$29,278
Code Enforcement	<p>Duties of Building Inspector will be added to the Town's Building Inspector duties.</p> <p>No cost adjustment is accounted for at this time.</p>	\$0.0
Street Maintenance and Permanent Improvements	Funds will be included in the Town's DPW future budget for the continuation of services. Expenses include administration, personal services, contractual work, and permanent improvements.	\$230,987

Expenses to General Services

General Service:	Post Dissolution Conditions ¹	Cost Change to Town
Community Environment	Funds will be included in the Town's future budget. Expenses include flowers, signs, and landscaping improvements.	\$500
Street Lighting	Electricity and maintenance expenses associated with the Village's street lights will be transferred to the Town.	\$27,000
Snow Removal	Funds will be included in the Town's future budget for snow removal services and salt expenses, including previously owned Village properties.	\$57,000
Recreation and Campground	The Village budget for Champ RV Park includes personal services, equipment, contractual expenses, joint recreation projects, and youth programs. Funds will be included for the continuation of recreation services.	\$80,040
Culture	Library, historian, and annual celebrations; the funds will be added to the Town expenditures.	\$7,100

Expenses to General Services

Special District Service:	Post Dissolution Conditions ¹	Cost Change to Village Residents
Public Sewer	<p>The Village sewer budget includes personal and contractual services for the sewer, sanitary sewer, and sewage treatment/disposal which totals to \$154,337. Two employees operate the treatment plant and benefits total to \$3,262. The sanitary sewer service area will be reconstituted as a Sewer District in the outcome of Village dissolution.³</p> <p>The Village of Port Henry is currently beginning a two phase Sewer Improvement Project. The first phase is completely paid off by a \$500,000 grant. The second phase has been partially paid for and will include a loan which comes to \$1,046,063. This project is not accounted for in the 2015-2016 Village Budget. The loan will only be charged to residents within the Village. A special Debt District will be created in the outcome of dissolution.³</p>	NA³
Public Water	<p>The current budget for Village water totals to \$296,710. The water service area will be reconstituted as a new water district in the outcome of Village dissolution.³</p>	NA³

Total Expenses New to Town

Special District Service:	Post Dissolution Conditions ¹	Cost Change to Town
Employee Benefits & Taxes	These expenses include state retirement, social security, worker's compensation, disability, and medical insurance. These benefits will be transferred to the Town's general and DPW budgets upon dissolution.	\$172,979
Total New to Town Expenditures		\$644,524

Notes:

- 1. Upon dissolution, the Town Board may re-consider the options presented above, and conclude that there are other preferred options that are in the best interest of the community at large.*
- 2. A special taxing district is not a governing body; rather it is a taxing mechanism to properties which receive additional services within the Town.*
- 3. Public sewer and public water are based on additional fees and will continue to be an extra charge in the case of dissolution.*

Revenues to General Services

Service:	Post Dissolution Conditions ¹	Revenue Change to Town
Real Property Tax & Tax Items	Payments in lieu of taxes (PILOTS) and interest and penalties on real property tax.	(\$22,000)
Non-Property Taxes	Non-Property Tax Distribution by County and Franchises will be gained by the Town in the outcome of Village dissolution.	(\$50,000)
General Government Fees	Clerk Fees.	(\$125)
Health	Funds from vital statistic fees.	(\$300)
Culture and Recreation	Park and recreational charges and special recreational facility charges.	(\$104,000)

Revenues to General Services

Service:	Post Dissolution Conditions ¹	Revenue Change to Town
Intergovernmental Charges	The Town contracts for fire protection services for areas of the Town of Moriah that fall outside of the fire department and district's boundaries. The Village's Fire Department is paid \$26,000 for fire protection services.	(\$0.0)
Use of Money and Property	Interest and earnings and rental of real property funds.	(\$5,825)
Licenses and Permits	Bingo licenses and permits.	(\$850)
State Aid	State revenue sharing (per capita) at \$11,500, mortgage tax at \$3,500, other governmental aid at \$1,000, and consolidated highway aid at \$72,000.	(\$88,000)
Total New Revenues to Town		\$271,100

Expenses to Special Districts

Service:	Post Dissolution Conditions ¹	Costs for Special Districts
Sidewalks	Expenses are associated with Village sidewalk maintenance and snow removal which will be paid through a special taxing district. ²	\$7,500²
Sanitation	Garbage pick up and refuse will be paid through a special taxing district by property-owners within the area of the former Village. ²	\$28,200²
Combined Fire	<p>The Village Fire Department has a budget of \$108,945. The Village is paid \$26,000 for fire protection services. One of four options will be decided on post dissolution. This would not be a town-wide expense.</p> <p>The Town's preferred option includes expanding the Moriah Fire District to serve the Village which would cost \$197,298.²</p>	\$197,298²
Debt	A Debt District will be created in order to pay off all Village debts. ²	\$24,639²
Total Special Tax District Budget		\$257,637

Summary of Estimated Cost Shift

Summary of Budget Shift to Town (Expenditures & Revenues)

Total New Town Expenditures	\$644,523.80
Total New Town Revenues	(\$271,100.00)
Total New Special Districts	\$257,637.00
Total Cost Shift to Town (excluding Special Districts)	\$373,423.80

- In the result of dissolution, the table above displays the new expenditures and revenues that the Town will acquire from the Village.
- Dependent on the Town Board, additional Special Taxing Districts will be added to former residents living within the Village boundary.

Preliminary Test: Does it make “sense” or “cents”

- Economy: Will the proposed dissolution reduce the current Village’s costs now or in the future?
- Efficiency: Will the proposed dissolution improve the current delivery of Village services?
- Effectiveness: Will the proposed dissolution allow local governments to deliver needed services that are qualitatively improved or that each would find difficult to provide individually?



Pros of Dissolution – “Why Vote Yes?”

Citizen Empowerment Tax Credit (CETC)

- Tax payers may receive a CETC tax credit. (Not a guarantee).
- Potentially a townwide tax credit of \$338,323

General Government:

- Mayor and Trustees will all be abolished. Government will be streamlined through the Town.
- The Village currently pays for several services (i.e. Town Clerk for duties TOV). If dissolved the Village will now directly benefit from these services.
- Code Enforcement work load could be distributed between both Village and Town to improve inspection needs.

Pros of Dissolution – “Why Vote Yes?”

Highway & DPW:

- All Village DPW employees will be transferred to the Town. If dissolution occurs, the work load could improve efficiencies distributed between both Village and Town Staff.
- Sidewalks within the Village boundaries will continue to be maintained, repaired, and plowed.
- Maintaining Broad Street. If dissolved will become a county road and the Town will be reimbursed for maintenance and repairs from the county. (approximately \$3,261 for 6/10 of a mile).
- Beaches and Campgrounds would be maintained.
- Village residents pay for Town Highway Superintendent as a town-wide expense and would now benefit from services.

Pros of Dissolution – “Why Vote Yes?”

Fire Services

Option 1: Create a Port Henry Fire Company

- **Option 1:** The Village Fire Department becomes an independent fire company and the Town contracts with the company to serve the Port Henry fire protection district.
- **Option 1** preserves the overall autonomy of the Port Henry Fire Department would be maintained.
- The number of responders and response time would continue to remain the same and the Fire Department’s long and proud history would be maintained.

Pros of Dissolution – “Why Vote Yes?”

Fire Services

Option 2: Contract with existing Town Fire Districts

- The Village Fire Department dissolves and the Town contracts with either one or both of the existing fire districts (Moriah or Mineville-Witherbee) to provide fire services.
- Port Henry becomes a new fire protection district.

Pros of Dissolution – “Why Vote Yes?”

Fire Services

Option 3: New Fire District

- Option 3: The area served by the existing Village Fire Department becomes a new fire district.
- This district could continue to serve other fire protection districts.
- This option would allow for the existing Village of Port Henry Fire Department to essentially continue to exist in the form of a new fire district.

Pros of Dissolution – “Why Vote Yes?”

Fire Services

Option 4: Expand Existing Fire Districts

- Option 4: The Moriah Fire District (the closer of the two fire districts to the Village) could be expanded to incorporate the area now served by the Village of Port Henry Fire Department.
- A larger fire district could mean that the Moriah Fire District could potentially gain additional volunteers, equipment, and buildings that could benefit both the Town and Village.
- Option 4 could also be expanded to include fire protection districts.
- Option 4 results in fewer tax districts for the Town.
- Could create a substation in the Village to improve response time.

Cons of Dissolution – “Why Vote No?”

General Government:

- Currently residents have a larger percentage of the voice in what is determined for the Village. Decisions for the village would be determined town-wide.
- The expenses associated with the Town Clerk, the Village clerk and the Treasurer would continue if all positions are transferred.

Sanitation & Garbage:

- Garbage/Refuse/Recycling would not be continued. Property owners would be responsible for all garbage. This would increase costs to Village residents.

Cons of Dissolution – “Why Vote No?”

Highway & DPW:

- Sidewalks: If dissolved, the existing Village services may revert to a Sidewalk District determined by the Town Board. This would be an increased cost to Village residents.

Zoning:

- The Village is in the process of creating a Zoning Law to protect commercial uses downtown.
- Village currently has a moratorium to protect commercial uses downtown
- Upon dissolution, Zoning Law could be repealed if no action is taken by the Town.
- If the Zoning Law is not adopted before dissolution, the Town is not required to initiate zoning.

Cons of Dissolution – “Why Vote No?”

Water:

- Village residents would continue to pay the Village’s Water Treatment Plant Debt and maintenance and repairs within the Village’s system.
- Upon dissolution, should the Town decide to shut down the Village’s Water Treatment Plant and connect the Village to the Town’s system, Village residents would also pay a capital improvements cost to connect and maintenance and repairs to the Town’s Water Treatment Plant and system.

Debt:

- Village residents would have to pay outstanding debt, liabilities, workman’s comp insurance, and any retirement benefits.

Cons of Dissolution – “Why Vote No?”

Fire Services

Option 1: Create a Port Henry Fire Company

- The Village of Port Henry Fire Department would lose all its assets.
- The Town could lease assets back to the independent fire company for a nominal fee.
- The fire company would contract with the Town Board directly and annual revenues would be provided by the Town at a negotiated amount.

Cons of Dissolution – “Why Vote No?”

Fire Services

Option 2: Contract with existing Town Fire Districts

- The Village would not have any direct fire services/assets in the Village, rather they would be served as a protection district
- Response time to serve the Village could increase due to the further distance of both the Moriah Fire District and/or the Minville-Witherbee Fire District’s locations.
- Property owners of the Village may experience an increase in fire insurance rates due to changes in fire rating.

Cons of Dissolution – “Why Vote No?”

Fire Services

Option 3: New Fire District

- This results in a new layer of government.
- A new fire district would be established at the discretion of the Town Board or upon receipt of a petition from owners of 50% of the resident-owned taxable assessed valuation in the proposed district.
- Goes against the state’s goal to reduce layers of government in New York.
- This could also be a time consuming process which would require public hearings and the creation a taxing authority and an elected board of commissioners.

Cons of Dissolution – “Why Vote No?”

Fire Services

Option 4: Expand Existing Fire Districts

- If the Moriah Fire District was expanded, the Village would lose its individual representation by its historic fire department.
- It could result in an increase in the response time to serve the Village due to the location of the Moriah Fire District Firehouse.
- Longer drives could put volunteers at greater risk when traveling to and from Village response areas.
- Currently the Village pays \$1.71/1,000 for the fire department. If Moriah Fire District were to expand to include the Village boundaries, it is anticipated that taxes would increase of \$0.17 (\$1.88/1,000).
- Property owner’s insurance rates could increase due to a change in fire ratings.
- Creation of a substation may increase the service cost.

Citizen Empowerment Tax Credit

- An incentive provided by New York State when two local governments consolidate.
- Based on a formula of 15% of the combined property tax levy at the time of local governmental consolidation.
- 70% must be used towards the reduction of the tax levy.
- 30% may be used for further tax reduction or capital improvement projects.

Town of Moriah CETC Eligibility

Based on Most Recent Data from Office of State Comptroller (FY 2015)

Citizen Empowerment Tax Credit (CETC)		
Maximum CETC for Tax Reduction	100%	\$338,323
Minimum CETC for Tax Reduction	70%	\$236,826
Maximum CETC for Capital Improvements	30%	\$101,497

**CETC is contingent upon New York State appropriations and not an annual guarantee.*

Option 1: Full Services

- This analysis looks at essentially keeping all general existing services provided to the Village. Costs are shared townwide where allowed.
- Special Districts are created to keep the remaining existing services provided by the Village. These services cannot be shared townwide and are an additional tax for residents living in the Village boundary.
- These Special Districts include; sanitation, sidewalks, fire, and debt.
- Water and sewer costs were not included in this analysis as they are currently and would continue to be an extra cost.

Option 1: Full Services

Village Residents	Current Tax Rate	Tax Rate No CETC	Tax Rate 70% CETC	Tax Rate 100% CETC
Village Tax	\$11.78	\$0	\$0	\$0
Townwide Tax (Genl & Hwy)	\$7.31	\$10.01	\$8.87	\$8.39
Current Services (New Special Districts)	-	\$3.11	\$3.11	\$3.11
Total CETC with Special Districts – No CETC	\$19.09	\$13.12	-	-
Total CETC with Special Districts – 70%	-	-	\$11.98	-
Total CETC with Special Districts – 100%	-	-	-	\$11.50
Town Residents*	Current Tax Rate	Tax Rate No CETC	Tax Rate 70% CETC	Tax Rate 100% CETC
Townwide Tax (Genl & Hwy)	\$7.31	\$10.01	\$8.87	\$8.39
Town Outside Village Tax (Genl & Hwy)	\$0.95	\$0	\$0	\$0
Total – No CETC	\$8.26	\$10.01	-	-
Total– 70%	-	-	\$8.87	-
Total – 100%	-	-	-	\$8.39

*Notes: * Eligible for CETC – Only the General Fund and Highway Fund. No Special Districts. * Town resident’s tax is the same in Option 1 and Option 2.*

Option 1: Property Tax Post Dissolution

Village Residents	Property Tax – No CETC	Property Tax – 70% CETC	Property Tax – 100% CETC
Property Value: \$60,000	\$787.06	\$718.99	\$690.00
Property Value: \$75,000	\$983.83	\$898.73	\$862.27
Property Value: 100,000	\$1,311.77	\$1,198.00	\$1,149.69
Percent Change	(-31.3%)	(-37.3%)	(-39.8%)
Town Residents*	Property Tax – No CETC	Property Tax – 70% CETC	Property Tax – 100% CETC
Property Value: \$60,000	\$600.40	\$532.33	\$503.00
Property Value: \$75,000	\$750.50	\$665.41	\$629.00
Property Value: 100,000	\$1,000.67	\$887.22	\$838.59
Percent Change	(+21.2%)	(+7.4%)	(+1.6%)

Notes: * Eligible for CETC – Only the General Fund and Highway Fund. No Special Districts.

* Town resident's tax is the same in Option 1 and Option 2.

Option 2: Basic Services

- Option 2 keeps all general existing services provided to the Village. Costs are again shared townwide where allowed.
- Option 2 considers only the potential costs associated with the basic special districts (fire and debt)
- Under this option, sanitation and sidewalks would be the property owner's responsibility.
- Water and sewer costs were not included in this analysis as they are currently and would continue to be an extra cost.

Option 2: Basic Services

Village Residents	Current Tax Rate	Tax Rate No CETC	Tax Rate 70% CETC	Tax Rate 100% CETC
Village Tax	\$11.78	\$0	\$0	\$0
Townwide Tax (Genl & Hwy)	\$7.31	\$10.01	\$8.87	\$8.39
Current Services (New Special Districts)	-	\$2.38	\$2.38	\$2.38
Total CETC with Special Districts – No CETC	\$19.09	\$12.39	-	-
Total CETC with Special Districts – 70%	-	-	\$11.25	-
Total CETC with Special Districts – 100%	-	-	-	\$10.77
Town Residents*	Current Tax Rate	Tax Rate No CETC	Tax Rate 70% CETC	Tax Rate 100% CETC
Townwide Tax (Genl & Hwy)	\$7.31	\$10.01	\$8.87	\$8.39
Town Outside Village Tax (Genl & Hwy)	\$0.95	\$0	\$0	\$0
Total – No CETC	\$8.26	\$10.01	-	-
Total– 70%	-	-	\$8.87	-
Total – 100%	-	-	-	\$8.39

Notes: * Eligible for CETC – Only the General Fund and Highway Fund. No Special Districts. * Town resident's tax is the same in Option 1 and Option 2.

Option 2: Property Tax Post Dissolution

Village Residents	Property Tax Change – No CETC	Property Tax Change – 70% CETC	Property Tax Change – 100% CETC
Property Value: \$60,000	\$743.36	\$675.29	\$646.12
Property Value: \$75,000	\$929.20	\$844.11	\$808.00
Property Value: 100,000	\$1,238.94	\$1,125.48	\$1,076.86
Percent Change	(35.1%)	(41.1%)	(43.6%)
Town Residents*	Property Tax Change – No CETC	Property Tax Change – 70% CETC	Property Tax Change – 100% CETC
Property Value: \$60,000	\$600.40	\$532.33	\$503.00
Property Value: \$75,000	\$750.50	\$665.41	\$629.00
Property Value: 100,000	\$1,000.67	\$887.22	\$838.59
Percent Change	(21.2%)	(7.4%)	(1.6%)

Notes: * Eligible for CETC – Only the General Fund and Highway Fund. No Special Districts.
 * Town resident's tax is the same in Option 1 and Option 2.

Next Steps

- Go Vote! Referendum vote will be at the Fire House
- Referendum takes place on Tuesday, October 27th, 2015.
- For more information: labergegroup.com/PortHenry/

Public Comments