

TOWN OF NEW PALTZ AND VILLAGE OF NEW PALTZ

JOINT CONSOLIDATION AGREEMENT

The Joint Consolidation Agreement (the “Agreement”), dated as of _____, 2026 is entered into by and between

THE VILLAGE OF NEW PALTZ (“the Village”), a municipal corporation located in Ulster County, New York having its principal office at Village Hall, 25 Plattekill Avenue, New Paltz, New York 12561, and

THE TOWN OF NEW PALTZ (“the Town”) a municipal corporation located in Ulster County of Ulster, in the State of New York, having its principal office at 52 Clearwater Road, P.O. Box 550, New Paltz, New York 12561.

WITNESSETH

WHEREAS, the Village of New Paltz and Town of New Paltz have been studying and considering government re-organization scenarios for several decades and the New NY Government Reorganization and Citizen Empowerment Act (2009) currently provides a viable path to consolidation; and

WHEREAS, the Village of New Paltz and Town of New Paltz already have many existing partnerships and are already sharing many services (e.g., police, ambulance, justice court, dog control, assessment); and

WHEREAS, the Village Board of Trustees of the Village of New Paltz and the Town Board of the Town of New Paltz have determined it desirable and in the public interest to consolidate the Town and Village governments; and

WHEREAS, in order to undertake the process in conformance with New York State statutes, the Village and Town agreed to undertake a board-initiated consolidation process as put forth in NYS General Municipal Law Article 17-A (GML Article 17-A); and

WHEREAS, GML Article 17-A, known as the New “NY Government Reorganization and Citizen Empowerment Act” authorizes the consolidation of a town and a village located wholly within the town into a consolidated town government; and

WHEREAS, the proposed consolidation will provide greater administrative and operational efficiency by streamlining operations; and such efficiencies can be leveraged to create savings and/or to address existing service gaps, expand services, and build capacity; and

WHEREAS, the proposed unification addresses concerns about workload and adequate representation of Village residents on consolidated Town boards and committees, including but not limited to continuing existing Village-only boards as new Town boards; and

WHEREAS, the New York State Citizen Empowerment Tax Credit (CETC), created to encourage local governments to re-organize through GML Article 17-A, is now a well-established New York State funding stream that has reliably empowered more than 20 municipalities to reorganize since 2011; and

WHEREAS, the CETC provides an annual payment equal to 15 percent of the combined Town and Village real property tax levies in the year prior to consolidation, up to a statutory maximum of \$1,000,000; and New Paltz's combined levies qualify a consolidated Town of New Paltz for the maximum annual CETC award of \$1,000,000 annually; and

WHEREAS, the CETC requires that at least 70 percent of CETC funds be allocated toward tax reduction, and in New Paltz this equates to a baseline reduction in tax burden in both the Village and Town-Outside-Village; and

WHEREAS, a unified government would consolidate the budgetary process while spreading the property tax burden more evenly across the full town; and

WHEREAS, the proposed consolidation will allow for comprehensive planning wherein a single government could take a more unified, community-wide approach to land use, economic development, and long-term planning; and

WHEREAS, the Village of New Paltz and Town of New Paltz are committed to a consolidation process that retains all current non-elected Village and Town employees; and

WHEREAS, the proposed consolidated Town of New Paltz is prepared to provide uninterrupted delivery of services to all parts of the Town without cost increases or service diminishment; and

WHEREAS, the consolidation of a Village and Town is a significant policy decision and undertaking, and the Joint Consolidation Agreement is designed to provide a framework for a consolidated Town governance structure that supports a smooth transition and the continuation of existing services to which residents are accustomed; and

WHEREAS, this gradual and deliberate approach to the transition is in the best interests of residents and anticipates that future Town Boards and Town constituents will evaluate and consider additional policy opportunities and alternative governance models such as the creation of a fire district or the expansion of services, including spring refuse collection for residents outside the Village; and

WHEREAS, New York Law authorizes towns to establish service districts – administrative areas of the town under the control of the Town Board – to provide and contract for services, including, but not limited to, fire protection, water, sewer, and refuse; and

WHEREAS, the consolidated Town of New Paltz can establish service districts under this authority to ensure service continuity for former Village residents; and

WHEREAS, a goal of the proposed consolidation is to build on the shared identity and the strengths of all residents of New Paltz while acknowledging and celebrating that the Village and Town-Outside-Village

have their own particular histories and residents have their own attachments to place; and

WHEREAS, the proposed consolidation will create a simpler government by establishing a single governing body while giving residents trying to navigate local services one clear point of accountability; and

WHEREAS, consolidation would eliminate existing distinctions in governance and ensure that all Town residents have a shared voice in decisions affecting planning, land use, and the future development of the community; and

WHEREAS, the statutory process of consolidation, when initiated by the governing bodies of the participating local government entities, begins with a resolution endorsing a proposed joint consolidation agreement for consideration of the voters of both the Village and the area of the Town outside the Village; and

WHEREAS, on June 1, 2026, the governing body of the Town of New Paltz and the governing body of the Village of New Paltz voted to endorse this Proposed Joint Consolidation Agreement; and

WHEREAS, on July 7, July 15, and July 29, 2026, official public hearings on the Proposed Joint Consolidation Agreement were held; and

WHEREAS, on _____, the governing body of the Town of New Paltz and the governing body of the Village of New Paltz voted to approve the final version of the Joint Consolidation Agreement and both governing bodies enacted a resolution calling for a referendum on the proposed consolidation of the Town of New Paltz and the Village of New Paltz.

NOW THEREFORE, the Town and Village agree as follows:

1. **Definitions.**¹ As used in this Agreement, the following terms shall have the meanings indicated:
 - a. **Municipalities** shall mean the Town of New Paltz, New York and the Village of New Paltz, New York.
 - b. **Interim Period** shall mean the period beginning with the certification of the results of the vote of referendum occurring on November 3, 2026 and ending on the date of consolidation, January 1, 2028.
 - c. **Transition Period** shall mean the period beginning with the effective date of consolidation and ending two years after the date of consolidation.

¹ Any word or phrase used in this Agreement not otherwise defined herein shall have the meaning ascribed to it in GML § 750.

- d. **Hybrid Zoning Law** shall mean a transitional zoning law that incorporates selected former Village zoning districts, use regulations, and bulk standards of the Village into the zoning code of the consolidated Town.
 - e. **Former Village Area and Hamlet and Hamlet of New Paltz** shall mean the geographic area comprising the former Village immediately prior to consolidation.
 - f. **Consolidated Town** shall mean the Town of New Paltz resulting from consolidation proceedings conducted pursuant to Article 17-A of General Municipal Law.
 - g. **Land Use Laws** shall mean all zoning, subdivision, site plan, special permit, variance, land development, and related local laws, ordinances, and regulations governing the use and development of land.
2. **Municipalities to be consolidated** (GML Article 17-A § 752 2(a)) are the Town of New Paltz, located in Ulster County, New York and the Village of New Paltz, the boundaries of which are located wholly within the Town of New Paltz, located in Ulster County, New York.
 3. **Name of the proposed consolidated local government** (GML Article 17-A § 752 2(b)). The consolidation of the Municipalities shall result in the Town of New Paltz as the surviving governmental entity with the Village of New Paltz being absorbed into the Town of New Paltz. Upon the effective date of consolidation, the Village of New Paltz and the Town of New Paltz shall be treated and considered for all purposes as one local government entity, under the name of the Town of New Paltz on the terms of this joint consolidation agreement as may be amended from time to time.
 4. **Rights, duties, and obligations of the proposed consolidated local government entity** (GML Article 17-A § 752 2(c)). A town is a municipal corporation comprising the inhabitants within its boundaries and formed for the purpose of exercising such powers and discharging such duties of local government and administration of public affairs as have been, or, may be conferred or imposed upon it by law. The consolidated Town entity shall retain all the rights, duties, and obligations it currently holds, and assume all rights, duties, and obligations currently held by the Village, except where inconsistent with or superseded by State Law.²
 - a. **Consolidated Town Services and Service Delivery.** Both the Town and Village possess various rights, duties, and obligations afforded to and imposed on them by the State Constitution, State statutes, and local laws and codes. It is the intent of this Agreement for the Town to maintain all duties and obligations for the delivery of services to the residents of the consolidated Town of New Paltz currently provided by both the Town and Village.
 - i. Several Town Departments, Offices, and functional units are currently responsible for service delivery Town-wide, and there is intended to be no change in their rights, duties, and obligations. It is anticipated that they will continue to deliver services Town-wide in

² Pursuant to GML § 765(5), this Agreement is “subordinate in all respects to the contract rights of all holders of any securities or obligations” of the Town and Village outstanding as of the effective date of consolidation. Nothing in this Agreement shall be construed to impair the contract rights of any such holders, consistent with the obligations imposed by GML § 765(5) and the Contracts Clauses of the United States and New York Constitutions.

substantially the same manner as they currently provide. These Departments, Offices, functional units and administrative units include:

1. Town Justice Court
 2. Animal Control
 3. Parks and Recreation Services and Programs
 4. Community Education
 5. Police Department
 6. Assessment
 7. Community Center
 8. Transfer Station
 9. Youth Center
 10. All existing Town special districts including Sewer District #1, Sewer District #5, Sewer District #6, Water District #1, Water District #2, Water District #3, Water District #4, Water District #5, Fire Protection District, Stormwater District #1, Stormwater District #2, Stormwater District #3 and Stormwater District #4.
- ii. The Town will work to update existing joint Village and Town plans and committees, such as the Joint Village-Town Emergency Preparedness Plan during the Interim Period to reflect the organization and operation of the consolidated Town for an effective date the same as the date of consolidation.
- iii. Several Town Departments, Offices, and functional units are currently responsible for delivery of services that have similarities to those of the Village, but will need to integrate, potentially expand, and add new functions to Town operations to service the area and population of the current Village to be known as the Hamlet of New Paltz. These Departments, Offices, and functional units include:
1. The Office of the Town Clerk is intended to assume the administrative functions and service delivery obligations of the current Village Clerk's role and absorb staff from the Village Clerk/Treasurer's staff. The expanded functions include, but are not limited to permitting and licensing, Freedom of Information Law ("FOIL") compliance and records management responsibilities.
 2. The Office of the Town Comptroller is intended to assume expanded financial functions and service delivery obligations resulting from the absorption of the full complement of Village functions by the Town. The Office of the Comptroller will assume additional staff from the Village Clerk/Treasurer's office. The expanded services of the Office include, but are not limited to, expanded human resources and civil service, purchasing, budgeting, financial planning and analysis, treasury, accounting, accounts payable and receivable, debt management, invoicing, fee and fine collections (such as water and sewer fees, parking fees and fines), grant administration, and financial reporting responsibilities.
 3. The Town Department of Building, Planning, and Zoning is anticipated to be split into two departments: (1) the Department of Planning; and (2) the Department of Building and Code Enforcement in order to integrate the employees, functions, and service delivery obligations of the current Village and Town Planning and Building Departments. The new Department of Planning is intended to assume the functions and service delivery obligations associated with planning and zoning including, but not

limited to, short and long range planning, site plan reviews, special use permits, subdivision reviews, facilitating the development and implementation of the Comprehensive Planning process and document, policy recommendations on zoning and other land use codes, community development, grants writing and management and professional support to the Planning Board, Zoning Board of Appeals, the Historic Preservation Board and all other boards, committees, and commissions as assigned by the Town Board. The new Department of Building and Code Enforcement is intended to assume the code administration and enforcement functions provided by the current Village Planning and Building Department and the Town Department of Planning, Zoning and Code Enforcement including the administration and enforcement of the New York State Uniform Fire Prevention and Building Code, the New York State Energy Conservation Construction Code and the integrated Village and Town local laws, codes, rules and regulations of the consolidated Town including but not limited to zoning and all the current laws, codes, rules and regulations under the authority of the Village and Town Departments.

4. The Town Highway Department, including its current Highway and Building and Grounds Divisions, shall continue to provide all the current services provided by the Department and shall have the capacity to provide services on a town-wide basis. A new Sewer, Water and Town Center Services Division shall be included and comprised of the absorbed Village Public Works employees. The expanded Town Highway Department will provide the full range of services provided by the current Town Highway Department and the current Village Public Works Department. The new Sewer, Water, and Town Center Services Division will assume the functions and service delivery obligations of the current Village Department of Public Works associated with sewer, water, and other services provided within the current Village to be known as the Hamlet of New Paltz. These services include, but are not limited to, operation and maintenance of the current Village drinking water system, sanitary and storm sewer systems, parking meter maintenance, streets and streetscape summer and winter maintenance, organics collection, and Hamlet beautification.
5. As authorized by Town Law Article 11 §184.1, ¶the Town anticipates contracting with the New Paltz Fire Department, Inc., a not-for-profit fire corporation organized under section 1402 of the Not-For-Profit Corporation Law, to provide fire protection services to the current New Paltz Fire Protection District serving the area outside the Village of New Paltz and to the area currently known as the Village of New Paltz through a new Hamlet Fire Protection District to be created by the Town of New Paltz.

b. Creation of Special Districts

- i. **Creation of Hamlet Water District and Hamlet Sewer District.** The Municipalities have agreed that:
 1. Upon consolidation, the Town will continue to provide water and sewer services through its existing Water and Sewer Districts in the area currently outside the Village.
 2. Upon consolidation the water and sewer services provided by the Village will be provided by the newly created Hamlet Water District and Hamlet Sewer District upon the terms, conditions, and rates established specifically for those Districts.

3. During the Interim Period, the Town shall take the necessary legal and programmatic steps to create the Hamlet Water District and the Hamlet Sewer District in a timeframe necessary for the districts to be operational by the date of consolidation. This shall include causing Map, Plan and Report documents to be prepared as required by New York State Town Law.
4. It is in the best interests of the residents of the Village and Town that a process be initiated to evaluate the consolidation of its water and sewer districts over time. The Municipalities further agree to seek such grant and other funding as may be available to accomplish this objective.

ii. **Creation of Hamlet Fire Protection District.** The municipalities agree that:

1. The Town will continue to provide fire protection services to the area outside the current Village through the New Paltz Fire Protection District.
2. Towns in New York State are not authorized to operate fire departments. Upon consolidation, to ensure continuity of fire protection services in the area currently known as the Village, the Town will provide services through a newly created Hamlet Fire Protection District which would be an administrative unit of Town government. The Town intends to contract with the New Paltz Fire Department, Inc., a not-for-profit fire corporation organized under section 1402 of the Not-For-Profit Corporation Law, for the provision of services as are currently provided to the area currently known as the Village and to the area of the Town outside the Village through the new Hamlet Fire Protection District and the existing New Paltz Fire Protection District..
3. The agreement provides for the creation of the Hamlet Fire Protection District as it is the most straight forward option at this time with the potential for additional efficiencies in the future. Should the community consider a policy decision to create a Fire District to serve the New Paltz community rather than the Fire Protection District governance model, this policy decision remains an option; however, it should be decided separately post consolidation. A fire district is an independent local jurisdiction with its own elected board and authority to raise taxes and issue debt as an alternative to the creation of a fire protection district.
4. During the Interim Period, the Town shall take the legal and programmatic steps necessary to create the Hamlet Fire Protection District in a timeframe necessary for the Fire Protection District to be operational by the date of consolidation. This includes but is not limited to causing the Map, Plan and Report document to be prepared.

iii. **Creation of Hamlet Refuse District**

1. Given the higher percentage of rental properties and the rental turnover associated with college students, the Village provides a spring clean-up program for residential bulk refuse once per year. The Village and Town agree that it is critical to the health and safety of the residents of the consolidated Town that a Hamlet Refuse District be established to provide and charge the properties in the area of the former Village for this service.
2. During the Interim Period, the Town shall take the legal and programmatic steps necessary to create the Hamlet Refuse District in a timeframe necessary for the district

to be operational by the date of consolidation. This includes causing the Map, Plan and Report document to be prepared.

- c. **Interim Planning Process.** In the event of approval at referendum, it is incumbent upon the Town and Village to begin the process of planning for the consolidation and the transfer of rights, duties, and obligations as early as possible in order to facilitate a smooth transition of government. The Municipalities agree to establish an Interim Joint Governance ~~Joint Steering~~ Committee to guide the transition, meeting no less than monthly during calendar year 2027. This committee shall include representatives of both the Town and Village and include at a minimum the Town Supervisor, the Village Mayor, one member of the Town Board, one member of the Village Board of Trustees, the Town Comptroller and the Village Clerk/Treasurer. The Interim Joint Governance~~Steering~~ Committee's role will be to coordinate and guide the planning, prioritization, implementation and timing of the integration steps and actions outlined in this Agreement as authorized by the Village Board of Trustees and the Town Board. ~~It is anticipated that the~~The Interim Joint Governance~~Steering~~ Committee will establish subject matter workgroups consisting of elected officials, representatives of Village and Town departments, boards and commissions and other subject matter experts to accomplish this goal. ~~Steering Committee w~~Working groups will include, but not be limited to, a facilities integration workgroup and others as identified by the Interim Joint Governance~~Steering~~ Committee. Should the Town determine the need for any of these workgroups post consolidation, the Town Board will extend them as temporary advisory workgroups through the Transition Period comprised of Town elected officials, representatives of Town departments, members of boards and commissions and subject matter experts.
 - d. The Town agrees to address Interim Period resource needs in the 2027 Town budget necessary to carry out the Interim Period actions detailed in this Joint Consolidation Agreement. One-time resources needed to carry out Transition Period actions detailed in the Joint Consolidation Agreement will be provided for in the 2028 and 2029 Town Budgets. The Interim and Transition Period one-time costs are presented together in Exhibit C.1.1.
5. **Territorial boundaries of the proposed consolidated government** (GML Article 17-A § 752 2(d)). The boundaries of the proposed consolidated Town of New Paltz shall be the same boundaries as the current Town of New Paltz boundaries and the territorial boundaries of the Village of New Paltz will no longer exist. See **Exhibit A: Town of New Paltz Territorial Boundaries Map.**
 6. **Type/Class of the proposed consolidated local government** (GML Article 17-A § 752 2(e)). The consolidated Town of New Paltz shall be a town of the first class as defined in New York Town Law § 10.
 7. **Proposed Consolidated Governmental Organization** (GML Article 17-A § 752 2(f)).
 - a. **Consolidated Town Governmental Structure.** The Municipalities have included a proposed departmental organization structure for the consolidated Town in **Exhibit B: Proposed Consolidated Town of New Paltz Organizational Structure** which is incorporated as part of this Consolidation Agreement.

b. **Elected Officials**

- i. **Officials.** The existing elected positions will be continued post-consolidation, with any consideration of reorganizing to occur at a later date. The terms of the Village Trustees shall end upon the effective date of consolidation.
- ii. **Transition Plan and schedule of elections.** The Town elected officials in office at the time of the consolidation will fulfil the entirety of their respective terms. Successor elected officials for such elected positions shall thereafter be elected at the time, in the manner and for the terms provided by the general law affecting towns of the first class, subject to the provisions of Chapter 741 of the Laws of 2023 as outlined below. Such schedule shall be changed subject to changes in New York State Election Law or other legal scheduling requirements.
 1. The next election of Town Clerk shall occur on the date of general election in 2027, followed by an election occurring on the date of general election in 2030, and every four years thereafter.
 2. The next election of two (2) Town Board Members shall occur on the date of general election in 2027, followed by an election occurring on the date of general election in 2030, and every four years thereafter.
 3. The next election of one (1) Town Justice shall occur on the date of general election in 2027, and every four years thereafter.
 4. The next election of Town Supervisor shall occur on the date of general election in 2028, and every four years thereafter.
 5. The next election of Town Highway Superintendent shall occur on the date of general election in 2028, and every four years thereafter.
 6. The next election of two (2) Town Board Members shall occur on the date of general election in 2028, and every four years thereafter.
 7. The next election of one (1) Town Justice shall occur on the date of general election in 2028, and every four years thereafter.

c. **Employees of the Village and Town.** The Municipalities agree that the consolidation does not create a “new” Town but is a consolidated Town in which the Town of New Paltz absorbs the Village of New Paltz. The Municipalities agree that it is in the best interests of the consolidated Town of New Paltz that all Town employees employed by the Town immediately preceding consolidation remain as Town employees and that all Village employees employed by the Village immediately preceding consolidation shall be transferred to the consolidated Town government and become Town employees. It will be critical for continuity of government that the knowledge, experience and historical service of the Village and Town employees be incorporated into the consolidated Town.

- i. **Civil Service and Transfer of Function.** The Municipalities agree that New York State Civil Service Law §70 (2), commonly referred to as “Transfer of Function”, provides that upon the transfer of functions from one civil division of the state to another civil division of the state, provisions shall be made for the transfer of all Village appointed employees, to the consolidated Town government. The Municipalities agree to abide by the provisions of Civil Service Law §70 (2) including but not limited to:

1. The Village of New Paltz, upon an affirmative vote to consolidate, will adopt a law, rule, order or other action directing such a transfer of function along with a copy of the executed Joint Consolidation Agreement within thirty days of the affirmative vote to the Town of New Paltz and the Ulster County Civil Service Office; and not less than twenty days prior to the effective date of such transfer, the Village Mayor shall certify to the Town Supervisor and Town Board a list of the names and titles of all Village employees and shall cause copies of such certified list to be publicly and conspicuously posted in the offices of Village government along with copies of New York State Civil Service Law §70 (2); and undertake any and all related actions necessary to effectuate the transition of all Village employees of the Village to the Town pursuant to New York State Civil Service Law §70 (2).
 2. Village employees so transferred shall be transferred without further examination or qualification and shall retain their respective civil service classifications and status.
 3. For the purpose of determining the employees holding permanent appointments in competitive class positions to be transferred, such employees shall be selected within each grade of each class of positions in the order of their original appointment, with due regard to the right of preference in retention of disabled and non-disabled veterans.
 4. All Village employees so transferred shall be subject to the rules of the Ulster County Civil Service and New York State Civil Service Commissions.
 5. All Village employees transferred shall be entitled to full seniority credit for all purposes for service rendered prior to such transfer from the Village of New Paltz.
 6. Except where such transferred employees are entitled as referenced above, pursuant to a special law or a rule adopted pursuant to law, to credit upon transfer for their unused vacation or annual leave and sick leave, the Town will adopt provisions governing vacation or annual leave and sick leave after giving due consideration to the similarities and differences between the provisions governing vacation or annual leave and sick leave in the respective jurisdictions from which and to which transfer is made, allow employees transferred hereunder credit for all or part of the unused vacation or annual leave and sick leave standing to their credit at the time of transfer, as may be determined equitable, but not in excess of the maximum accumulation permitted in the jurisdiction to which transfer is made. Unused vacation or annual leave not credited by the Town will be compensated for the balance accrued as a Village employee.
 7. The Town will work with Ulster County Civil Service during the interim period, to have the necessary titles established and the positions created for the re-organized Town government and onboard the Village employees effective January 1, 2028.
- ii. **No Adverse Impact on Employees and Harmonization of Compensation and Benefits**
1. The Municipalities agree that their best efforts should be made so that all Town employees and transitioned Village employees in impacted titles and/or departments and hired by the Town on or before January 1, 2028 experience no adverse impact on compensation, benefits and other terms of employment and that resulting wage scales and benefits are harmonized in fairness to both Town and transitioned Village employees in departments or titles impacted by consolidation.
 2. The Town agrees to make its best effort to ensure that all Town employees and transitioned Village employees in impacted titles and/or departments and hired by the

Town on or before January 1, 2028 experience no adverse impact on compensation, benefits, and other terms of employment. Furthermore, the Town agrees to make its best effort to harmonize Village and Town compensation levels and fringe benefit packages, addressing both the benefits and the eligibility criteria for the benefits for employees in impacted departments and/or titles hired by the Town on or before January 1, 2028, to the extent permitted by law.

- iii. **Collective Bargaining:** The Municipalities agree that it is the intent to collaborate and negotiate in good faith with impacted employees and their collective bargaining units.
 - 1. The Town agrees to work with the collective bargaining units representing covered employees to honor applicable collective bargaining obligations and to negotiate in good faith the collective bargaining agreement terms and amendments necessary to safeguard the employee compensation and benefits in a manner that harmonizes compensation scales and benefit terms for the Village and Town employees in impacted departments and/or titles that are employed by the Town on or before January 1, 2028.
 - 2. The Town agrees to initiate these discussions and negotiations in the Interim Period in order to engage with labor representatives early in the process to address employee concerns and potential conflicts in a proactive manner.
- iv. **Residency:** The Town agrees to waive the Town residency requirement for employees transferring from the Village as part of the consolidation.
- v. **Position Alignment:** The Municipalities agree that the consolidated Town needs all Town and Village employees and agree to work with Ulster County Civil Service and collective bargaining units to integrate the Village and Town staff and align such matters as titles, position classifications and job specifications during the Interim Period to assure for a smooth transfer of all Village employees and to ensure the continued delivery of quality services in a cost-effective manner.
- vi. **Communication:** The Municipalities agree that proactive communication is crucial to alleviate employee concerns and agree to make their best effort to communicate proactively with employees.
- vii. **Interim Period Cross Departmental Planning:** The Municipalities agree to establish cross departmental teams in the impacted departments to foster collaboration and facilitate ease of transition.
- viii. **Transfer of Village Employees.** The Town and Village agree to take the steps necessary to ensure a seamless transfer of the Village employees. This includes but is not limited to completion of all mandatory Federal and New York State employment and civil service documents and the completion of other procedures related to payroll, benefits, retirement and Town employment. Employees will be provided with an orientation, copies of relevant Town policies and procedures and trainings as necessary. The Town agrees to work with the collective bargaining units representing covered employees to honor applicable collective bargaining obligations and to negotiate in good faith the collective bargaining agreement terms and amendments necessary to safeguard the employee compensation and benefits in a manner that harmonizes compensation scales and benefit terms for the Village and Town employees in impacted departments and/or titles that are employed by the Town on or before January 1, 2028.

- d. **Appointed Officials to Boards and Commissions (Non-Employees).** Town Appointed Officials (non-employees) serve on Town Boards and Commissions. The Boards and Commissions of the consolidated Town shall initially include the following:
- i. **Existing Town boards and commissions established and included in the Town Code** under the authority of the Town in existence on or before the date of consolidation shall continue.
 1. The existing Town boards to continue include but are not limited to:
 - a. Ethics Board
 - b. Board of Assessment Review
 - c. Historic Preservation
 - d. Planning Board
 - e. Environmental Conservation Board
 - f. Zoning Board of Appeals
 - g. Board of Police Commissioners
 - h. Industrial and Commercial Incentive Board
 - i. Clear Water and Open Space Protection Commission
 - j. Community Preservation Fund Advisory Board
 2. Members of Existing Town Boards
 - a. Members of Town boards and commissions existing prior to the date of consolidation shall remain members of the board or commission for as long as their respective terms continue.
 - b. Vacancies in the membership of such boards and commissions shall be filled in accordance with the law governing such board or commission at the time of the vacancy. During the Interim Period, the Town agrees, at the time of a board vacancy, to evaluate the makeup of the board and consider seeking candidates from the Village so that the board makeup reflects a broad representation of the consolidated Town government.
 - c. Village and Town agree, as seats become available on the Planning and Zoning Board of Appeals, the Town Board will appoint persons familiar with the former Village land use codes.
 - ii. **Existing Village boards and council.** The Town agrees to create and operationalize the following existing Village boards and council:
 - a. Housing Board to carry out the responsibilities of the current Village Housing Board including the administration of the Affordable Housing Program and the housing units created under the program. The Board will be composed of five members and the members of the Village Housing Board at the time of consolidation will be appointed by the Town to carry out the terms of their Village appointments.
 - b. Landlord-Tenant Relations Council with the same purpose and council size as outlined in the Village Code. The composition of the Council will continue to have three members representing landlord interests, three representing tenant interests and one impartial appointee. The members of the Landlord-Tenant Relations Council at the time of consolidation will be appointed by the Town to carry out the terms of their Village appointments.

b.c. The Town shall create and operationalize a Design Review Board. The Board will assume the responsibilities of the Village's Design Review Board and will perform town-wide design review functions as defined by future Town Boards.

- iii. **Temporary Land Use Advisory Board.** The Town agrees to establish a Temporary Land Use Advisory Board whose members would be knowledgeable of Village land use codes, development frameworks, physical characteristics and pending applications in front of the Village Planning Board at the time of consolidation. The Advisory Board would offer non-binding recommendations to the Town Planning Board and Zoning Board of Appeals for their consideration during project reviews within the former Village.
- iv. **Additional Village, Town or Joint Village-Town advisory committees, workgroups and task forces** It is the intent of the Town to continue the advisory groups in existence on or before the date of consolidation including but not limited to: the Bicycle/Pedestrian Committee, the Climate Smart Task Force, the Public Access Television Committee, the Recreation Committee, and the Local Emergency Management Committee. Existing members will be appointed to carry out their terms. In addition, the Town will work with community and regional organizations to continue to have New Paltz representation on such boards as the Ulster County Housing Smart Community Initiative Workgroup through appointments to such boards.
- v. **Interim Period Plan**
 - 1. As soon as practical after an affirmative vote to consolidate, the Interim Joint GovernanceSteering Committee will establish a workgroup and process to review and develop modifications to the codes necessary to integrate the purpose and processes of the boards and commissions, where necessary. This would include but not be limited to the Planning Board, the Zoning Board of Appeal, the Environmental Conservation Board and the Housing Board. Examples of proposed modifications include integration of the responsibilities of the current Village Shade Tree Commission and Environmental Policy Board into the Town Environmental Conservation Board and the integration of the Village Historic Preservation Board and Town Historic Preservation Boards purposes and process.
 - 2. During the Interim Period the Village and Town Planning staff and boards agree to establish processes by which the Town Planning Board shall be kept apprised of large projects before the Village Planning Board that will likely not be approved prior to consolidation.

8. Fiscal Estimate of the Cost and Savings to be Realized from Consolidation (GML Article 17-A § 752 2(g))

- a. **One-Time Transitional Costs.** The one-time transitional costs have a potential to be in the range of \$375,000 to \$400,000 which can be offset in part by the \$50,000 Local Government Citizens Re-Organization Empowerment Grant (CREG). Such costs include but are not limited to consultant/attorney costs to integrate Town and Village local laws, codes, ordinances, rules and regulations for the common administration and unified enforcements of such laws, costs associated with the creation of the four special districts including preparation of the Map, Plan and Report documents, preparation of sub-town level income surveys necessary for grant applications, interim

and transition period facilitation services and operational costs associated with the implementation of a consolidated Town. The Village and Town agree to work diligently to identify areas that can be performed in house in order to reduce external service costs. **Exhibit C.1: Transition Costs** annexed hereto provides a listing of the potential cost areas.

b. Impact of Consolidation on the Consolidated Town Levies and Tax Rates to Town Property Owners

Re-organization of local governments is a major undertaking. This Joint Consolidation Agreement does not contemplate dramatic change Day 1, but rather recommends a steady and seamless transition. Although there are many potential avenues for efficiency over time, only tangible cost savings were applied to the fiscal model.

The fiscal impact analysis of consolidation is a point-in-time-model. The analysis cannot contemplate future pressures or changes in policy direction. Actual decisions on spending and tax rates will be determined by future elected Town Boards. The fiscal model is based on historical spending of the Village and Town, the 2024/2025 Village Budget and the 2025 Town Budget along with the conditions outlined in this agreement and the fiscal assumptions outlined in **Exhibit C.2: Fiscal Analysis Assumptions**.

The fiscal model considered a number of factors including 1) the impact of the Citizens Empowerment Tax Credit; 2) the shift in Village costs from the smaller Village property tax base to the larger Town-wide property tax base; 3) the shift of the Town outside Village Highway Fund levy to the Town-wide tax base; 4) Village costs associated with the post consolidation special districts that will remain on Hamlet tax base; 5) the net cost savings resulting from streamlining central administrative services; and 6) revenue changes.

The fiscal model assumes the continuation of all Village and Town services at the same or similar costs. The model identified opportunities to streamline central administrative services that result in cost savings after netting out estimated revenue losses. The fiscal model assumed the elimination of the costs associated with the Village Board of Trustees and the Mayor's position, the reduction of one position through a planned retirement and other administrative and operational costs savings.

The CETC is a New York State annual payment to local governments that successfully re-organize. If the consolidation of the Village and Town occurs, the credit is expected to result in an additional \$1,000,000 in annual revenue for the consolidated Town of New Paltz. New York State requires that at least 70 percent of these funds be allocated toward tax reduction. Though the CETC is contingent on annual state funding, the state has consistently funded the credit and has reliably funded more than 20 municipalities since 2011.

It is recommended that the initial impact modeling calculation apply 70% of the CETC to tax reduction. Village and Town stakeholders recommend that part of the 30% CETC presents an opportunity to address initial workforce harmonization, possible infrastructure needs.

Tax Impact Analysis for Village Taxpayers

Village taxpayers currently pay both Village and Town taxes. Consolidation would mean the end of Village taxes and a shift of Village net costs for general services from a smaller Village tax base to the town-wide tax base that is more than three times the size. At the same time, there are costs for the area outside the Village that will also shift to the town-wide basis. The net impact results in a net savings to the Village property taxpayer. Water and sewer services in the area currently known as the Village will continue to be paid by user fees as is currently done through the Hamlet Water and Sewer Districts. Fire protection services in the Hamlet Fire Protection District will be paid by Hamlet property taxpayers based on the current cost distribution formula used to prorate costs between the Village and the Town-outside-Village taxpayers. This agreement also provides for the continuation of the unique refuse pick-up services provided to Village residents. These services will be paid for taxpayers of the Hamlet Refuse District that has boundaries the same as the area currently known as the Village.

If there were no CETC funds, the baseline tax impact for Village taxpayers is estimated to be a 7% to 9% *decrease* in the combined Village and Town tax rates. The CETC was created to incentivize re-organization. The figures below compare current combined Town-Village taxes to projected post-consolidation Town taxes, factoring in the CETC:

- If 70% of CETC is applied to offset taxes: an approximate 12% to 14% *decrease*
- If 100% of CETC is applied to offset taxes: an approximate 13% to 15% *decrease*

As stated above, it is recommended that the fiscal model assume that *70% of the CETC* is applied to offset property taxes with the balance available to meet other needs. Over time, it is anticipated that additional efficiencies and savings can be achieved to further offset property taxes.

Tax Impact Analysis for the Town-Outside-Village Taxpayers

For Town-outside-Village taxpayers, consolidation will mean taking on and paying for a share of the service responsibilities currently paid only by Village taxpayers and sharing Town-outside-Village costs such as highway services with Village taxpayers. The net impact is a greater shift of Village costs to the Town-outside-Village taxpayer than the shift of Town-outside-Village costs to the Village taxpayer.

If there were no CETC funds, the baseline tax impact for the Town outside Village taxpayer would be an estimated 1% to 3% *increase*. However, the CETC was specifically created in recognition that consolidation would likely result in a shift of Village costs to Town-outside- Village taxpayers, and in New Paltz the CETC revenue would more than offset this increase. Projected percentage decreases in Town taxes factoring in the CETC are:

- If 70% of CETC is applied to offset taxes: an approximate 2% to 4% *decrease*
- If 100% of CETC is applied to offset taxes: an approximate 4% to 6% *decrease*

As stated above, the model recommends using the estimated impact from the scenario using 70% of the application of CETC to offset property taxes. Over time, it is anticipated that additional efficiencies and savings can be achieved to further offset property taxes.

- c. **Interim Period Plan.** Implementation of the consolidation will require numerous action steps to realize the integration and associated efficiencies included in this Agreement as well as address matters not identified here in the same spirit set forth. The Municipalities agree to take the one-time administrative and financial actions necessary to ensure continuity of government operations, including but not limited to:
- i. Develop, authorize and execute Inter-municipal Agreements between the Town and the Village, as necessary, to facilitate the transition during the Interim Period.
 - ii. Submit the applications for the New York State Citizen Empowerment Tax Credit and Re-organization Grants.
 - iii. Identify and establish a phased approach to information and connectivity services changes necessary to accommodate the larger, re-organized Town government including e-mail system reconfiguration and roll out, system networking, phones, security, Town website and software.
 - iv. Streamline and organize Village records in accordance with the NYS Records Retention schedule in order to integrate these records into the Town records management program.
 - v. Make Village records available to Town officials as necessary to carry out business of the consolidated Town such as current contracts, purchase orders, employee records, financial, etc.
 - vi. Organize and provide copies of all Village agreements and contracts to the Town and identify those that may continue, need actions, or will be relevant post consolidation.
 - vii. Coordinate the designation of Town officials as signatory on Village bank accounts and other documents upon consolidation.
 - viii. Issue notifications and disclosures as required to Village debtholders, escrow agents, and regulatory agencies and boards.
 - ix. Establish a new Town chart of accounts necessary to accommodate the additional financial structures and functions being assumed by the Town.
 - x. Coordinate with the New York State Comptroller's Office on the recalibration of the Town's Property Tax Cap.
 - xi. Work cooperatively to prepare a proposed 2028 Town Budget that provides for the expanded services and staffing costs, the new special districts, and other elements as provided for in this agreement.
 - xii. Make necessary changes to Town property tax bills including the NYS requirement that the CETC be detailed on the tax bill. For each fiscal year following the effective date of the consolidation, a statement shall be placed on each property tax bill in substantially the following form: "Your property tax savings this year resulting from the State Citizen Empowerment Tax Credit received as the result of local government re-organization is \$ _____."
 - xiii. Collect and review all current and historical Village and Town policies including workers' compensation for prior claims and the need for ongoing coverage for future losses. Insurers of both the Village and the Town will be promptly notified and coordination of coverage will

- be put in place to avoid reduced or voided coverage and to prevent coverage gaps by arranging tail or nose coverage where needed to cover all applicable statute of limitations periods.
- xiv. Coordinate transition of all grant and/or loan agreements, portal access, and other pertinent information to ensure timely claiming, reimbursement, and compliance with Federal and State agencies.
 - xv. It is the intent of the Town and Village to resolve other matters not identified here in the same spirit set forth.
- d. **Transition Period:** The Town agrees to close out the Village financial operations, honor Village contracts, address accounts payable and receivable, and prepare and file all outstanding Village Federal and New York State financial and employer reports.

9. Specification of Town and Village Assets, Liabilities and Indebtedness (GML Article 17-A § 752 2(h) & (i)).

- a. The specification of assets, liabilities, and indebtedness included as required by section 752 of General Municipal Law was substantially undertaken on the basis of the most recently available Annual Comprehensive Financial Reports (ACFRs) of the Town dated December 31, 2024 and the Village dated May 31, 2025. It is understood by both parties that this specification of assets, liabilities, and indebtedness was evaluated at a given point in time and may change, in some cases materially, between the date(s) at which the assets and liabilities were evaluated and January 1, 2028, the proposed date of consolidation.
- b. Town assets, liabilities, and indebtedness consisting of cash and equivalents, receivables, and other current assets; real property, personal property, and other non-current assets; payables and other current liabilities; indebtedness, compensated absences, retiree health benefits, pension liabilities, existing settlements and claims, and other non-current liabilities are specified, valued in current money of the United States, and attached hereto as **Exhibit D.1: 2024 Town Balance Sheet**.
- c. Further details on Town assets, liabilities, and indebtedness are attached hereto as **Exhibits D.2 through D.6** as follows:
 - i. D.2 - Town Fund Balance Detail as of Fiscal Year End December 31, 2024
 - ii. D.3 - Town Capital Asset Detail as of Fiscal Year End December 31, 2024 with updated land values
 - iii. D.4 - Town Non-Current Liability Summary as of Fiscal Year End December 31, 2024
 - iv. D.5 - Town Debt Detail as of Fiscal Year End December 31, 2024
 - v. D.6 - Town Compensated Absence Liability Detail as of December 31, 2025
- d. Village assets, liabilities, and indebtedness consisting of cash and equivalents, receivables, and other current assets; real property, personal property, and other non-current assets; payables and other current liabilities; indebtedness, compensated absences, retiree health benefits, pension liabilities, existing settlements and claims, and other non-current liabilities are specified, valued in current money of the United States, and attached hereto as **Exhibit D.7: 2025 Village Balance Sheet**.
- e. Further details on Village assets, liabilities, and indebtedness are attached hereto as **Exhibits D.8 through D.12** as follows:
 - i. D.8 - Village Fund Balance Detail as of Fiscal Year End May 31, 2025

- ii. D.9- Village Capital Asset Detail as of Fiscal Year End May 31, 2025 with updated land values
- iii. D.10 - Village Non-Current Liability Summary as of Fiscal Year End May 31, 2025
- iv. D.11 - Village Debt Detail as of Fiscal Year End May 31, 2025
- v. D.12 - Village Compensated Absence Liability Detail as of May 31, 2025

10. Disposition of Assets, Liabilities and Indebtedness (GML Article 17-A § 752 2(j))

- a. **Approach to Disposition of Assets, Liabilities and Indebtedness.** The Municipalities agree that, given the strong financial position of both entities and cooperative manner in which the Town and Village currently operate, a streamlined approach toward financial consolidation is in the best interests of the residents.
- i. A major component of the Town's assets and liabilities are held in the town-wide funds for town-wide purposes, in which case all Town taxpayers have already contributed to or are responsible for the assets and liabilities.
 - ii. The approach taken by this Agreement is to maintain the financial independence of the existing Town Special Districts with all assets and liabilities remaining with the special districts.
 - iii. The Village assets and liabilities associated with water and sewer will also maintain their independence by shifting the assets and liabilities to the Hamlet Special Water and Sewer Districts with boundaries the same as the current Village in which case individual district taxpayers are seeing no shift of their assets or liabilities.
 - iv. The Village's assets and liabilities held for fire protection will transfer to the Town as dedicated assets and liabilities held specific for fire services for purposes of the existing New Paltz Fire Protection District and the new Hamlet Fire Protection District.
 - iv.v. The Town shall continue to operate all existing and future special districts in accordance with Article 12 of Town Law requiring that expenses of special districts shall be borne exclusively by those respective districts and the parcels therein.
 - v.vi. The Village general fund assets and liabilities will shift to the respective Town-wide General Fund or Town-wide Highway Fund.
 - vi.vii. The Town-outside-Village General Fund (B) and Town-outside-Village Highway Fund (DB) will be transferred to the respective town-wide General Fund (A) and Highway Fund (D).
 - vii.viii. The Municipalities agree that the net difference between the shift of net Village General Fund assets and liabilities to the respective town-wide funds as compared to the shift of the Town-Outside-Village net assets and liabilities to the town-wide funds would not be material on a combined tax levy approximating \$13 million.
- b. **Disposition of Town Current Net Assets (Fund Balances).** Town current assets after satisfaction of all current liabilities incurred and accrued through December 31, 2027 held as fund balance in each of the Town's several funds shall be disposed of as follows:
- i. **Town-wide General (A) Fund.** All fund balances shall remain within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of general government of the consolidated Town.

- ii. **Town-outside-Village General (B) Fund.** All fund balances shall be transferred to the Town-wide General (A) Fund with their classification and for their purposes as of December 31, 2027 for the continued support of general government of the consolidated Town.
 - iii. **Town Community Development (CD) Fund.** All fund balances shall remain segregated within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of its designated purposes in the area outside the current Village boundaries.
 - iv. **Town Miscellaneous Special Revenue (CM) Fund.** All fund balances shall remain segregated within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of its designated purposes in the area outside the current Village boundaries. The parties may create a new fund to segregate and account for the operations of the consolidated Town in the future.
 - v. **Town-wide Highway (DA) Fund.** All fund balances shall remain within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of its designated purposes for the consolidated Town.
 - vi. **Town-outside-Village Highway (DB) Fund.** All fund balances shall be transferred to the Town-wide Highway (DA) Fund with their classification and for their purposes as of December 31, 2027 for the continued support of its designated purposes for the consolidated Town.
 - vii. **Town Capital (H) Fund.** All fund balances shall remain within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of the capital program of the consolidated Town. Debt proceeds held by the Town shall continue to be restricted for the projects and purposes for which they were issued. The obligations of other Town Funds to service short-term indebtedness held by the Capital Fund shall be retained by those Funds with the following exception:
 - 1. The current obligation of the Town-outside-Village Highway (DB) Fund to service short-term indebtedness issued for its benefit outstanding as of December 31, 2027 shall transfer to the Town-wide Highway (DA) Fund.
 - viii. **Town Drainage Special District (SD) Funds.** All fund balances shall remain within the funds with their classification and for their purposes as of December 31, 2027 for the continued support of the operations of the respective special districts.
 - ix. **Town Fire Protection District (SF) Fund.** All fund balances shall remain within the fund with their classification and for their purposes as of December 31, 2027 for the continued support of the operations of the special district.
 - x. **Town Sewer Special District (SS) Funds.** All fund balances shall remain within the funds with their classification and for their purposes as of December 31, 2027 for the continued support of the operations of the respective special districts.
 - xi. **Town Water Special District (SW) Funds.** All fund balances shall remain within the funds with their classification and for their purposes as of December 31, 2027 for the continued support of the operations of the respective special districts.
- c. **Disposition of Town Non-Current Assets.** All non-current assets of the Town as of December 31, 2027, including but not limited to real and personal property, shall remain assets of the consolidated Town.

- d. **Disposition of Town Non-Current Liabilities.** All non-current liabilities of the Town, and associated fund allocation thereof, as of December 31, 2027, including but not limited to indebtedness, compensated absences, retiree health benefits, pension liabilities, and existing settlements and claims, shall remain liabilities of the consolidated Town and associated funds, with the following exceptions:
- i. Long-term indebtedness held by the Town Capital (H) Fund associated and the obligation to service rests with the Town-outside-Village Highway (DB) Fund outstanding as of December 31, 2027, shall become associated with and the obligation to service shall transfer to the Town-wide Highway (DA) Fund.
 - ii. Compensated absence liability associated with and allocated to the Town-outside-Village General (B) Fund outstanding as of December 31, 2027 shall become associated with and allocated to the Town-wide General (A) Fund.
 - iii. Compensated absence liability associated with and allocated to the Town-outside-Village Highway (DB) Fund outstanding as of December 31, 2027 shall become associated with and allocated to the Town-wide Highway (DA) Fund.
 - iv. In the event there are non-current liabilities of the Town as of December 31, 2027 not enumerated in this section above, the parties agree to negotiate the disposition thereof utilizing the general framework and spirit of the disposition of other non-current liabilities included herein.
- e. **Disposition of Village Current Net Assets (Fund Balances).** Village current assets after satisfaction of all current liabilities incurred and accrued through December 31, 2027 held as fund balance in each of the Village's several funds shall be disposed of as follows:
- i. **Village General (A) Fund.** All balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027 to be accounted for within the Town-wide General (A) and Town-wide Highway (DA) Funds as appropriate for the continued support of government of the consolidated Town, with the following exceptions
 1. Fund balances restricted for the purposes of acquisition of fire apparatus and other fire equipment shall be transferred to the Town with their classification and for their purposes as of December 31, 2027, to be accounted for separately within funds for support of the existing New Paltz Fire Protection District and the newly created Hamlet Fire Protection District.
 2. Fund balances restricted for the purposes of satisfying the length of service award program ("LOSAP") liability associated with the current Village volunteer firefighters shall be transferred to the Town with their classification and for their purposes as of December 31, 2027, to be accounted for separately within funds for support of the existing New Paltz Fire Protection District and the newly created Hamlet Fire Protection District.
 - ii. **Village Community Development (CD) Fund.** All fund balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027 to be segregated and accounted for separately within the Town Community Development (CD) Fund for the continued support of its designated purposes in the area within the current Village boundaries to be known as the Hamlet of New Paltz.

- iii. **Village Miscellaneous Special Revenue (CM) Fund.** All fund balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027 to be segregated and accounted for separately within the Town Miscellaneous Special Revenue (CM) Fund for the continued support of its designated purposes in the area within the current Village boundaries to be known as the Hamlet of New Paltz.
- iv. **Village Water (FX) Fund.** All fund balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027, to be accounted for separately within a new fund for support of the newly created Hamlet Water District.
- v. **Village Sewer (G) Fund.** All fund balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027, to be accounted for separately within a new fund for support of the newly created Hamlet Sewer District.
- vi. **Village Capital (H) Fund.** All fund balances shall be transferred to the Town with their classification and for their purposes as of December 31, 2027 to be accounted for within the Town-wide Capital (H) Fund for the continued support of the capital program of the consolidated Town. Debt proceeds held by the current Village will continue to be restricted for the projects and purposes for which they were issued. The obligations of other Village Funds to service short-term indebtedness held by the Capital Fund shall be disposed as follows:
 - 1. The current obligation of the Village General (A) Fund to service short-term indebtedness issued for its benefit for the reconstruction of the Village Hall roof outstanding as of December 31, 2027 shall transfer to the Town-wide General (A) Fund.
 - 2. The current obligation of the Village General (A) Fund to service short-term indebtedness issued for its benefit for fire house construction outstanding as of December 31, 2027 shall transfer to funds associated with the existing New Paltz Fire Protection District and the newly created Hamlet Fire Protection District. This obligation has been retired in the intervening period since the issuance of the Village ACFR dated May 31, 2025.
 - 3. The current obligation of the Village Water (FX) Fund to service short-term indebtedness issued for its benefit outstanding as of December 31, 2027 shall transfer to the newly created Hamlet Water District Fund.
- f. **Disposition of Village Non-Current Assets.** All non-current assets of the Village as of December 31, 2027, including but not limited to real and personal property, shall become assets of the consolidated Town.
- g. **Disposition of Village Non-Current Liabilities.** All non-current liabilities of the Village, and associated fund allocation thereof, as of December 31, 2027, including but not limited to indebtedness, compensated absences, retiree health benefits, pension liabilities, and existing settlements and claims, shall be disposed as follows:
 - i. Long-term indebtedness associated with and the obligation to currently service by the Village Water (FX) Fund outstanding as of December 31, 2027 shall be transferred to the consolidated Town to become associated with and the obligation to service shall rest with the newly created Hamlet Water District Fund.

- ii. Liabilities arising from legal judgements and claims outstanding as of December 31, 2027 shall be transferred to and become liabilities of the consolidated Town.
- iii. Compensated absence liability associated with and allocated to the Village General (A) Fund outstanding as of December 31, 2027 shall be transferred to the consolidated Town to become associated with and allocated to the Town-wide General (A) Fund.
- iv. Compensated absence liability associated with and allocated to the Village Water (FX) Fund outstanding as of December 31, 2027 shall be transferred to the consolidated Town to become associated with and allocated to the newly created Hamlet Water District Fund.
- v. Compensated absence liability associated with and allocated to the Village Sewer (G) Fund outstanding as of December 31, 2027 shall be transferred to the consolidated Town to become associated with and allocated to the newly created Hamlet Sewer District Fund.
- vi. Other Post Employment Benefit (OPEB) liabilities outstanding as of December 31, 2027 shall be transferred to and become liabilities of the consolidated Town.
- vii. Length of service award program (LOSAP) liabilities associated with the current Village volunteer firefighters outstanding as of December 31, 2027 shall be transferred to the consolidated Town to become allocated to funds associated with the existing New Paltz Fire Protection District and the newly created Hamlet Fire Protection District.
- viii. Net pension liabilities outstanding as of December 31, 2027 shall be transferred to and become liabilities of the consolidated Town.
- ix. In the event there are non-current liabilities of the Village as of December 31, 2027 not enumerated in this section above, the parties agree to negotiate the disposition thereof utilizing the general framework and spirit of the disposition of other non-current liabilities included herein.

h. Disposition Interim Plan. The Municipalities agree that the following actions will occur during the Interim Period:

- i. The Municipalities agree that during the Interim Period, each municipality must govern and make decisions, including decisions on the utilization of assets and possible need to incur debt. During the Interim Period, the Municipalities agree to keep each other informed of such decisions through the Joint Village Board of Trustees and Town Board meetings.
- ii. The Town Comptroller and Village Clerk/Treasurer will meet regularly to plan for and account for disposition of assets and liabilities as outlined above. These meetings are anticipated to prioritize many of the tasks enumerated in section 8.c of this Agreement.
- iii. The Town Comptroller will take actions necessary to effectuate the accounting of the assets and liabilities as agreed.

11. Common Administration and Uniform Enforcement of codes, local laws, ordinances, etc. (GML Article 17-A § 752 2(k)).

- a. The Municipalities recognize that **GML Article 17-A § 769. Effect on existing laws; transition period**, pertaining to the common administration and uniform enforcement of laws in the consolidated Town, provides that all local laws, ordinances, rules or regulations of the Village and of the Town governments, such as the Village Good Cause Eviction Law, in effect on the date of consolidation shall remain in full force and effect within the respective areas of Village, Town-

outside-the Village and Town-wide that existed prior to consolidation, insofar as the local laws, ordinances, rules or regulations are not repugnant to law, until repealed or amended.

- b. **Interim Period:** The Municipalities agree to engage in a joint review process, under the guidance of the Interim Joint Governance Consolidation Agreement Steering Committee, of the Municipalities' codes, local laws, ordinances, rules and regulations. The purpose of the joint process is to identify and develop recommendations to resolve conflicts between the respective laws, ordinances, rules and regulations with respect to the common administration and unified enforcement and to make recommendations for necessary repeal of, amendment to or adoption of local laws, codes, ordinances, rules or regulations in order to accomplish a harmonization of Village and Town Codes.
- i. During the Interim Period, the Town and Village agree to identify the appropriate professionals, staff and other subject matter experts within their respective governments to jointly meet starting in January of 2027 to identify conflicting, duplicative, and obsolete local laws, codes, rules, and regulations and recommend a resolution to the issues found with the intent that, as soon as practical after the date of consolidation but not later than two years after the date of consolidation, all such issues are legislatively resolved.
 - ii. To facilitate this process during the Interim Period, the Town agrees to engage, as necessary, professional consultants or firms to facilitate and undertake this process.
 - iii. Actions requiring New York State approval, prior to amendment of Town local laws, code, ordinances, rules and regulations such as setting special speed limits within the former area of the Village, will be initiated during the Interim Period to ensure timely integration within the Transition Period.
 - iv. The Municipalities agree that it is the intent of the Town to:
 1. Work with the Village during the Interim Period, to develop a **hybrid Town Zoning Code** that integrates the critical aspects of Village zoning unique to the Village such as the Zoning Districts and bulk schedules into the Town Zoning Code while streamlining generalized sections to eliminate redundancy and inconsistencies including those related to administration and enforcement. The goal of the hybrid Town Zoning Law is to preserve continuity and predictability of zoning regulation within the area of the former Village and the area of Town outside the former Village. The Hybrid Town Zoning Law is an interim measure pending the development of a Town-wide Comprehensive Plan and a unified Zoning Code applicable throughout the consolidated Town.
 2. Amend the Town zoning code as necessary to result in a hybrid consolidated Town Zoning Code during the Transition-Interim Period with an effective date of January 1, 2028, or as soon as practical thereafter by adopting the Village Zoning Districts and Use Regulations as they exist in Chapter 212 of Village Code for regulation of the area to be known as the Hamlet of New Paltz and repealing the Village Zoning Code as soon as practical after the effective date of the hybrid Zoning Code.
 3. Amend the Town Subdivision Code as necessary to incorporate the unique features of the Village's Subdivision Code into a new town-wide subdivision review process and to address any additional inconsistencies in the administration and enforcement of the codes. The Town agrees to amend its Subdivision Code during the Interim Period, with an effective date of the later of January 1, 2028 or as soon as all subdivision requests

with accepted applications by the Village are complete. When all Village subdivision applications are through the administrative and enforcement review processes, the Village Subdivision Law shall be repealed by the consolidated Town.

- c. Transition Period:** To facilitate the process to develop unified codes, during the Transition period, the Town agrees to:
- i. Continue to ensure Town Board members, appropriate professionals, staff, other individuals with subject matter expertise, and consultants (as necessary), develop, in a timely fashion, all the remaining recommendations for the repeal, amendment and and/or adoption of local laws necessary to redress conflicts and otherwise ambiguities arising among the existing laws, ordinances, rules or regulations for the common administration and uniform governance of the consolidated Town government.
 - ii. Repeal, amend and/or adopt all such new local laws, codes, ordinances, rules or regulations within the timeframe necessary for an effective date within the Transition Period.
 - iii. Repeal obsolete and redundant Village administrative conduct of business local laws, ordinances, codes, rules and regulations as close to the date of consolidation as is practical. Such laws include but are not limited to taxation, meetings, procurement, officers and employees, continuity of government, ethics and terms of office.
 - iv. Ensure that all existing permits, approvals, variances, special permits, site plan approvals, and similar authorizations made lawfully prior to consolidation shall remain valid.
 - v. Continue the common administration and unified enforcement of town-wide local laws, codes, ordinances, rules and regulations conducted by, but not limited to, the town-wide Police department, dog control officer, Assessor, Town Clerk, and Board of Assessment review.
 - vi. Ensure unified department officials, boards, commissions, and any other review authority when acting on applications, shall apply the appropriate law applicable to the property based on its location within the Town area outside the former Village or within the former Village and the timing of the actions. Upon the effective date of unified laws, codes, ordinances, rules, and regulations, the Village laws, codes, ordinances, rules, and regulations are superseded and are no longer effective. The unified code would control.
 - vii. The Town will take reasonable measures to inform the public of code updates post consolidation such as guidance materials and contact information and will develop consistent communication by administrative and professional staff.

12. Effective date of the proposed consolidation (GML Article 17-A § 752 2(l))

The effective date of the proposed consolidation is January 1, 2028.

13. Time and place or places for the public hearing or hearings on such proposed joint consolidation agreement pursuant to section seven hundred fifty-four of this title. (GML Article 17-A § 752 2(m))

The scheduled dates, times and locations of the Joint Village and Town public hearings on the proposed Joint Consolidation Agreement are as follows:

Date	Time	Location
July 7, 2026	6 pm	New Paltz Middle School, 96 Main Street, New Paltz, New York, 12561
July 15, 2026	7 pm	New Paltz Village Hall, 25 Plattekill Ave., New Paltz, New York, 12561
July 29, 2026	7 pm	New Paltz Village Hall, 25 Plattekill Ave., New Paltz, New York, 12561

IN WITNESS WHEREOF, the parties have duly executed this agreement on the day and year first written above.

ATTEST:

VILLAGE OF NEW PALTZ

Village Clerk

Mayor

Date _____

(VILLAGE SEAL)

ATTEST:

TOWN OF NEW PALTZ

Town Clerk

Town Supervisor

Date: _____

(TOWN SEAL)

STATE OF NEW YORK)

ss.

COUNTY OF ULSTER)

On the ____ day of ____, 2026, before me, the undersigned, a Notary Public in and for said State, personally appeared ALEXANDRIA WOJCIK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

ss.

COUNTY OF ULSTER)

On the ____ day of ____, 2026, before me, the undersigned, a Notary Public in and for said State, personally appeared TIMOTHY E. ROGERS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Approved as to form and content

Village Attorney

Date

Town Attorney

Date

The foregoing Agreement was approved by the Board of Trustees of the Village of New Paltz on _____, 2026 and by the Town Board of the Town of New Paltz on _____, 2026.