

The Consolidation of Local Government

*Assessing the Service and Financial Implications
of the Village of Fillmore Dissolution*

Summary of Findings

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I. Executive Summary

On December 31, 1995, Fillmore, a small, rural village in northern Allegany County consolidated with the Town of Hume. Two years earlier, residents of the village had voted to dissolve the village and become part of the town. Although the village had gone through the required process of drafting the Dissolution Plan, no one was certain as to what impact or effect the dissolution was going to have on services and costs. To that end, the Town of Hume contacted the Southern Tier West Regional Planning & Development Board and requested they analyze and assess the financial and service implications of the dissolution.

At just about the same time, Southern Tier West had just embarked upon its newest local government technical assistance program. Entitled the Municipal Partnership Demonstration Project (MP), the program was set up to facilitate the development of cooperative relationships between local municipalities who have demonstrated an interest and commitment to sharing services and/or consolidation. MP turned out to be precisely what the Town of Hume was looking for relative to their consolidation questions and as a result, turned to Southern Tier West for assistance.

So what did we discover? Did the consolidation of the two local governments result in a reduction or an increase in overall costs? The basis for our analysis was to compare the year end expenditures of the Village of Fillmore and the Town of Hume as they were when operating separately (1994) with what they were upon the dissolution (1995, 1996). The chart below illustrates what we discovered:

| | Actual* (1994) | Actual (1995) | Actual (1996) |
|-----------------|-------------------|------------------|------------------|
| General Fund | 232,891 | 187,255 | 190,136 |
| Highway Fund | 426,701 | 396,987 | 383,436 |
| Fire Protection | 63,783 | 41,300 | 50,238 |
| Lighting | 6,200 | 13,570 | 15,088 |
| Sidewalk | 0 | 384 | 100 |
| Sewer | 81,100 | 84,863 | 118,411 |
| Water | 72,556 | 52,020 | 78,411 |
| Total | \$ 883,231 | \$ 776,429 | \$ 836,023 |

* Combined
Fillmore/Hume

From the chart, we can see that at the conclusion of the first year after dissolution, the total cost of government in the Town of Hume decreased by \$ 106,802. By the end of the second year, despite an increase from 1995, the overall cost of government was still \$47,208 less than it was before the dissolution.

II. The Process of Dissolution

The dissolution of a village may be initiated in one of two ways: by act of the village board or by initiative petition by the village residents. Which process is used will determine when the dissolution referendum will be held.

In the case of the Village of Fillmore dissolution, the process was initiated by the Board of Trustees. Because of this, the referendum was held at the next regular village election or special election for officers held not less than 30 days after adoption of the resolution.* (Note: a village board cannot schedule a dissolution referendum for other than a regular or special election when it has initiated the proposed dissolution.)

The next step in the process involves developing a plan for dissolution. This plan (required by law) spells out how services will be continued, how outstanding debts and obligations will be met, etc. A more in depth discussion of the dissolution plan occurs in the next section.

Upon the completion of the dissolution plan comes the public hearing. Notice of the hearing must be published in the village's official newspaper at least 10, but not more than 20 days before the hearing. As is the case with any public hearing, the village board may establish rules of procedure.

In addition to providing an opportunity for those affected by the proposal to speak, the public hearing serves a second important function. In determining the proper date for submission of a dissolution proposition to referendum, the date of the public hearing is used as the date the question "was presented." Accordingly, the village board must achieve the proper timing between the public hearing and the date of the election.

If the proposition is approved by a majority of those voting on the question, a certificate of the election must be filed with the Secretary of State and the clerks of each town and county in which any part of the village is situated. The village will be dissolved as of the thirty-first day of December in the year following the year in which the election took place (e.g., if the election is on June 19, 1997, the village is dissolved as of December 31, 1998). If defeated, no similar proposition can be submitted within two years of the date of the referendum.

* In terms of initiation by the village board of trustees, the statute states that any village board, on its own initiative, can adopt a resolution to submit the question of dissolution to a vote. If this is done, the vote (referendum) has to be scheduled for the next regular village election or special election for officers not less than 30 days after the public hearing required to be held on dissolution. The public hearing must be held prior to the submission of the proposition to the voters.

III. The Plan to Consolidate

Article 19, Section 1904 of the Village Law requires that a plan accompany every proposition for dissolution. It has been held that the preparation of the plan is the responsibility of the village board of trustees, regardless of whether the dissolution process was begun by petition or by the board itself.

This plan must contain provisions relating to the disposition of village property and the payment of any outstanding obligations including the levy and collection of the necessary taxes and assessments therefor. The plan should also include any other matters which the village board feels will assist the public to understand the impact of the dissolution proposal.

Each item in the plan must be separately stated and numbered. Although all or any part of such a plan can be made the subject of a contract between the village and the town, the primary object of this plan is not to legally bind either the village or the town. Rather, it is a document which will educate and inform the resident village electors as to the consequences of their vote. By outlining an orderly program for the transfer to the town of village functions, assets and properties, and for the disposition of any outstanding debts, obligations or taxes, the plan will provide the village residents some picture of the tangible effects of the dissolution.

In order to fulfill the role that the drafters of the village dissolution article envisioned for it, the plan should include any other matters as may be necessary, any information which would tend to assist voters in making an educated determination for or against dissolution. By way of example, the plan should include provisions as to how fire protection services will be provided; which (if any) services will be discontinued; how existing services will be provided; and the effect the dissolution will have on village legislation.

A copy of the dissolution plan prepared for the Village of Fillmore is included in the Appendix. The Village of Fillmore dissolved on December 31, 1995.

IV. Service Implications

As evidenced within the Dissolution Plan, the Village of Fillmore made every effort to ensure that their employees could be retained upon the dissolution. In some instances, this strategy proved to be quite cost effective. Take for instance the position of village clerk. In accordance to the Dissolution Plan, the town hired the village clerk as a deputy town clerk. By doing this the town was able to extend its office hours, thus providing more effective and responsive clerical services to the community. In addition, because the village clerk was able to bring her experience and expertise into the town, the transition, in terms of the clerical/bookkeeping function, was much smoother.

In addition to the village clerk, the two other village employees, one from the water department, the other from the sewer department were retained by the town and incorporated into the town's highway operations. Since both of these individuals were familiar with their respective operations, it made sense that they be kept on to continue in their official capacity. If the decision had been to eliminate these positions, the town would have had to solicit qualified people from somewhere else, arguably at a greater expense.

All village administrative functions were turned over to the town. Fire protection became the responsibility of the town with the town board functioning as the primary administrative body. Street lighting continued and was financed through the creation of a special purpose street lighting district coterminous with the village limits. Sidewalk maintenance, water and sewer operations were continued in a similar manner with financing coming from taxes, rents from within the districts. All in all, it would appear as though the majority of citizens, both former village and town outside village, continue to be satisfied with the manner in which municipal services are being provided.

V. Financial Implications

The approach taken with respect to analyzing the financial implications of the Fillmore/Hume consolidation was to compare overall expenditures/tax levy after the dissolution with those prior to the dissolution. What we were interested in determining was whether or not the dissolution had any direct impact on the annual rate of increase to either overall expenditures or the tax levy, and if so, what was it? We were also curious as to whether there was a direct correlation between expenditures and tax levy, e.g., if total expenditures went down, did the tax levy decrease?

The results of our two year fiscal analysis are included in the Appendices.

VI. Appendices

| | |
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APPENDIX A

Town of Hume General Fund

| Appropriations | 1994 * | 1995 | 1995 | 1996 | 1996 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Actual | Budget | Actual |
| Town Board | \$6,500 | \$3,200 | \$3,200 | \$3,300 | \$3,300 |
| Justices | 11,000 | 10,895 | 10,695 | 11,900 | 11,622 |
| Supervisor | 7,000 | 5,800 | 5,433 | 4,900 | 5,144 |
| Comptroller | 2,200 | 2,075 | 2,075 | 4,400 | 4,125 |
| Tax Collection | 1,325 | 1,375 | 1,359 | 1,550 | 1,384 |
| Budget | 2,700 | 3,500 | 4,562 | 3,500 | 5,338 |
| Assessors | 10,300 | 10,900 | 9,864 | 11,100 | 22,986 |
| Town Clerk | 13,050 | 13,175 | 11,773 | 18,792 | 15,135 |
| Attorney | 7,000 | 6,000 | 9,756 | 10,000 | 7,744 |
| Elections | 2,050 | 1,500 | 736 | 1,680 | 1,121 |
| Buildings | 23,775 | 9,375 | 14,207 | 7,250 | 5,352 |
| Data Processing | 6,000 | 2,210 | 397 | 2,560 | 2,128 |
| Insurance | 23,000 | 21,000 | 16,702 | 14,000 | 14,769 |
| Municipal Dues | 500 | 500 | 0 | 550 | 680 |
| Contingent | 8,549 | 1,000 | 0 | 5,000 | 0 |
| Public Safety | 1,900 | 1,900 | 2,617 | 3,800 | 3,439 |
| Bingo | 100 | 2,600 | 0 | 100 | 0 |
| Dog Control | 4,000 | 4,850 | 3,836 | 4,950 | 5,141 |
| Safety Inspection | 2,000 | 2,000 | 1,735 | 1,900 | 1,775 |
| Highways | 30,100 | 31,880 | 31,594 | 33,915 | 33,692 |
| Garage | 7,500 | 14,000 | 10,789 | 21,000 | 6,664 |
| Street Lights | 14,240 | 3,600 | 3,589 | 3,900 | 2,769 |
| Veterans | 250 | 250 | 250 | 250 | 250 |
| Parks | 500 | 1,250 | 1,155 | 6,000 | 149 |
| Youth Programs | 4,900 | 4,000 | 5,890 | 4,360 | 5,359 |
| Library | 4,800 | 5,000 | 5,000 | 5,500 | 5,500 |
| Historian | 100 | 100 | 100 | 100 | 100 |
| Zoning | 0 | 0 | 0 | 0 | 0 |
| Cemeteries | 3,000 | 4,500 | 5,629 | 0 | 0 |
| New York State Retirement | 2,800 | 1,632 | 1,632 | 1,698 | 1,036 |
| Workers Compensation | 0 | 0 | 802 | 700 | 1,076 |
| Disability Insurance | 0 | 0 | 0 | 200 | 276 |
| Social Security | 7,302 | 6,333 | 6,200 | 6,497 | 5,799 |
| Medical Insurance | 7,200 | 7,060 | 6,268 | 7,733 | 7,241 |
| Debt Service | 9,750 | 9,410 | 9,410 | 8,999 | 9,042 |
| Interfund Transfers | 7,500 | 0 | 0 | 0 | 0 |
| Totals | \$232,891 | \$192,870 | \$187,255 | \$212,084 | \$190,136 |

You can see from the figures on the spreadsheet that General Fund expenditures in fiscal years 1995 and 1996 were less than they were prior to the consolidation (dissolution) in 1994. In comparison to fiscal year 1994, the dissolution of the Village of Fillmore resulted in a reduction in General Fund expenditures of almost \$46,000. Even more significant is the fact that despite an increase from fiscal year 1995, (\$190,136 compared to \$187,255), fiscal year 1996 expenditures were still less than they were in fiscal year 1994.

APPENDIX B

Town of Hume General Fund

| <i>Source of Revenue</i> | <i>Budget</i> | <i>Actual</i> | <i>Budget</i> | <i>Actual</i> | <i>Budget</i> | <i>Actual</i> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | <i>1994</i> | <i>1994</i> | <i>1995</i> | <i>1995</i> | <i>1996</i> | <i>1996</i> |
| <i>In lieu of Taxes</i> | 0 | 0 | 12,000 | 8,464 | 12,000 | 23,400 |
| <i>Interest & Penalties on taxes</i> | 1,500 | 1,308 | 2,100 | 1,633 | 1,600 | 2,501 |
| <i>Clerk Fees</i> | 300 | 553 | 450 | 1,511 | 800 | 1,644 |
| <i>Safety Inspection Fees</i> | 0 | 362 | 0 | 0 | 0 | 0 |
| <i>Youth Recreation Services</i> | 0 | 0 | 500 | 300 | 500 | 2,900 |
| <i>Interest & Earnings</i> | 1,500 | 1,501 | 1,500 | 3,699 | 3,000 | 4,458 |
| <i>Bingo Licenses</i> | 1,000 | 1,023 | 1,000 | 655 | 600 | 990 |
| <i>Dog Licenses</i> | 4,000 | 3,377 | 3,500 | 2,431 | 1,800 | 3,234 |
| <i>Fines and Forfeited Bail</i> | 5,000 | 5,187 | 3,000 | 6,010 | 3,000 | 5,637 |
| <i>Unclassified</i> | 0 | 2,251 | 3,000 | 17,054 | 3,000 | 558 |
| <i>State Aid, Revenue Sharing</i> | 8,000 | 13,482 | 10,649 | 11,459 | 11,000 | 10,990 |
| <i>State Aid, Mortgage Tax</i> | 6,000 | 9,027 | 10,000 | 9,082 | 7,000 | 11,557 |
| <i>State Aid, Youth Programs</i> | 0 | 0 | 1,130 | 2,750 | 1,130 | 980 |
| <i>Village</i> | 30,550 | 30,550 | 0 | 0 | 0 | 0 |
| <i>Interfund Transfers</i> | 0 | 750 | 0 | 0 | 0 | 0 |
| <i>Total nontax Revenues</i> | \$57,850 | \$69,371 | \$50,829 | \$65,048 | \$47,430 | \$68,849 |
| <i>Real Property Taxes - town</i> | \$143,654 | \$143,654 | \$142,041 | \$142,041 | \$139,766 | \$139,766 |
| <i>Real Property Taxes - village</i> | \$70,637 | \$70,637 | | | | |
| <i>Total</i> | \$272,141 | \$283,662 | \$192,870 | \$207,089 | \$187,196 | \$208,615 |
| <i>Fiscal Year</i> | | | | 1995 | | 1996 |
| <i>Total Expenditures (Appendix A)</i> | | | | \$187,233 | | \$190,136 |
| <i>Total Revenues (above)</i> | | | | \$207,089 | | \$208,615 |
| <i>Difference</i> | | | | \$19,834 | | \$18,479 |

In each year following the dissolution of the Village of Fillmore, real property taxes attributable to the General Fund went down. During the same period, General Fund revenues from other non-tax sources remained fairly constant.

APPENDIX C

Town of Hume General Fund

History of Fund Balance

| Fiscal Year | Beginning Fund Balance | Total Revenues | Total Expenses | Adjustments | Ending Fund Balance |
|-------------|---------------------------|-------------------|-------------------|-------------|------------------------|
| 1994 | 2,747 | 182,475 | 160,865 | 0 | 24,357 |
| 1995 | 24,357 | 207,089 | 187,255 | 13,508 | 57,699 |
| 1996 | 57,699 | 208,615 | 190,136 | 0 | 76,178 |

APPENDIX D

Town of Hume Highway Fund

| Appropriations/Expenditures | | 1994 | 1995 | | 1996 | |
|-----------------------------|-----------------|-----------|----------------|--------------|----------------|--------------|
| | | | Appropriations | Expenditures | Appropriations | Expenditures |
| General Repairs | Personnel | \$64,434 | \$58,705 | \$52,573 | \$63,814 | \$70,594 |
| | Contractual | 111,500 | 95,000 | 79,725 | 102,000 | 49,986 |
| Permanent Improvements | Capital Outlay | 35,000 | 40,000 | 36,943 | 40,000 | 29,413 |
| | Machinery | | | | | |
| | Equipment | 21,000 | 44,000 | 39,281 | 40,000 | 37,285 |
| | Contractual | 40,000 | 40,000 | 26,406 | 40,000 | 36,546 |
| Snow Removal | Personnel | 55,753 | 72,949 | 60,904 | 67,290 | 58,172 |
| | Contractual | 33,500 | 40,000 | 40,648 | 40,000 | 38,758 |
| Services for other govts | Personnel | 10,000 | 0 | 0 | 0 | 0 |
| | Contractual | 10,000 | 0 | 0 | 0 | 0 |
| Employee Benefits | Retirement | 7,600 | 5,772 | 5,905 | 5,783 | 3,474 |
| | Social Security | 9,194 | 10,024 | 8,904 | 10,197 | 9,170 |
| | Unemployment | 1,500 | 0 | 0 | 0 | 0 |
| | Disability | 600 | 0 | 0 | 800 | 800 |
| | Medical | 16,000 | 15,916 | 15,425 | 17,311 | 20,847 |
| Debt Service - BAN | Principal | 9,000 | 9,000 | 9,000 | 9,000 | 25,000 |
| | Interest | 0 | 1,481 | 0 | 754 | 0 |
| Debt Service - Ford Truck | Principal | 1,620 | 16,000 | 16,000 | 16,000 | 0 |
| | Interest | 0 | 3,800 | 5,273 | 2,680 | 3,391 |
| Interfund Transfers | Equip. Reserve | 0 | 10,000 | 0 | 10,000 | |
| Total | | \$426,701 | \$462,647 | \$396,987 | \$465,629 | \$383,436 |
| Transfer to Capital Reserve | | | | \$44,200 | | \$120,909 |
| | | | | \$441,187 | | \$504,345 |

Since the dissolution, Highway expenditures have decreased by an average of \$36,000 each year.

| Revenues/Property Tax | Budget | Actual | Budget | Actual | Budget | Actual |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1994 | 1994 | 1995 | 1995 | 1996 | 1996 |
| In lieu of Taxes | 0 | 0 | \$28,000 | \$54,729 | \$28,000 | \$54,600 |
| Services for other Govts. | 23,000 | 25,675 | 23,000 | 27,361 | 26,000 | 106,154 |
| Interest & Earnings | 6,000 | 6,085 | 6,000 | 11,448 | 7,000 | 18,459 |
| Equipment Sales | 0 | 2,152 | 0 | 0 | 0 | 0 |
| Unclassified | 0 | 1,187 | 0 | 0 | 0 | 0 |
| C.H.I.P.S. | 35,000 | 50,434 | 50,000 | 60,045 | 55,000 | 15,409 |
| Unexpended Balance | 125,000 | | 84,647 | | 54,213 | |
| Total Non Tax Revenue | \$64,000 | \$85,533 | \$107,000 | \$153,583 | \$116,000 | \$194,622 |
| Real Property Taxes | \$218,756 | \$218,756 | \$271,000 | \$271,000 | \$295,416 | \$295,416 |
| Total Revenues | \$282,756 | \$304,289 | \$378,000 | \$424,583 | \$411,416 | \$490,038 |

APPENDIX E

Town of Hume Highway Fund

History of Fund Balance

| Fiscal Year | Beginning Fund Balance | Total Revenues | Total Expenses | Adjustments | Ending Fund <i>Balance</i> |
|-------------|---------------------------|-------------------|-------------------|-------------|-------------------------------|
| 1994 | 207,128 | 304,289 | 377,256 | 0 | 134,161 |
| 1995 | 134,161 | 424,583 | 441,187 | 24,200 | 141,757 |
| 1996 | 141,757 | 490,038 | 504,345 | 0 | 127,450 |

APPENDIX F

Tax Rate Schedules

1994

| Category | Appropriations | Revenues | Fund Balance | Tax Levy | Taxable Value | Tax Rate |
|---|----------------|----------|--------------|----------|---------------|----------|
| General Fund | 165,727 | 27,300 | 0 | 138,427 | \$3,352,647 | \$41.29 |
| General Fund tov | 4,200 | 0 | 0 | 4,200 | \$2,548,487 | \$1.65 |
| Highway Fund | 191,350 | 25,500 | 50,000 | 115,850 | \$3,352,647 | \$34.55 |
| Highway Fund tov | 214,351 | 38,500 | 75,000 | 100,851 | \$2,548,487 | \$39.57 |
| Fire Protection | 33,600 | 0 | 0 | 33,600 | \$2,672,604 | \$12.57 |
| Lighting I | 3,200 | 20 | 300 | 2,880 | \$216,475 | \$13.30 |
| Lighting II | 3,000 | 20 | 300 | 2,680 | \$251,150 | \$10.67 |
| Village | 114,147 | 30,550 | 12,960 | 70,637 | \$804,160 | \$87.84 |
| Applicable tax rates - inside village (General, Highway, Village) | | | | | | \$163.68 |
| Applicable tax rates - outside village (General, General tov, Highway, Highway tov, Fire, Lights) | | | | | | \$153.61 |

1995

| Category | Appropriations | Revenues | Fund Balance | Tax Levy | Taxable Value | Tax Rate |
|---|----------------|----------|--------------|----------|---------------|----------|
| General Fund | 192,870 | 50,829 | 0 | 142,041 | \$3,286,484 | \$43.22 |
| Highway Fund | 462,647 | 107,000 | 84,647 | 271,000 | \$3,286,484 | \$82.46 |
| Fire Protection | 41,300 | 0 | 0 | 41,300 | \$3,286,484 | \$12.57 |
| Lighting Dist. I | 3,200 | 20 | 200 | 2,980 | \$221,450 | \$13.46 |
| Lighting Dist. II | 3,200 | 20 | 200 | 2,980 | \$252,850 | \$11.79 |
| Lighting Dist. III | 9,200 | 0 | 0 | 9,200 | \$781,888 | \$11.77 |
| Sidewalk | 6,060 | 0 | 0 | 6,060 | \$781,888 | \$7.75 |
| Applicable tax rates - within former village (General, Highway, Fire, Lighting III, Sidewalk) | | | | | | \$157.76 |
| Applicable tax rates - outside former village (General, Highway, Fire, Lighting I and II) | | | | | | \$163.49 |

1996

| Category | Appropriations | Revenues | Fund Balance | Tax Levy | Taxable Value | Tax Rate |
|---|----------------|----------|--------------|----------|---------------|----------|
| General Fund | 212,084 | 47,430 | 24,888 | 139,766 | \$3,289,779 | \$42.48 |
| Highway Fund | 465,629 | 116,000 | 54,213 | 295,416 | \$3,289,779 | \$89.80 |
| Fire Protection | 42,650 | 0 | 0 | 42,650 | \$3,289,779 | \$12.96 |
| Lighting Dist. I | 3,200 | 20 | 200 | 2,980 | \$221,450 | \$13.46 |
| Lighting Dist. II | 3,200 | 20 | 200 | 2,980 | \$252,350 | \$11.81 |
| Lighting Dist. III | 9,200 | 0 | 0 | 9,200 | \$816,971 | \$11.26 |
| Sidewalk | 5000 | 0 | 0 | 5,000 | \$816,971 | \$6.12 |
| Applicable tax rates - within former village (General, Highway, Fire, Lighting III, Sidewalk) | | | | | | \$162.63 |
| Applicable tax rates - outside former village (General, Highway, Fire, Lighting I and II) | | | | | | \$170.51 |

1997

| Category | Appropriations | Revenues | Fund Balance | Tax Levy | Taxable Value | Tax Rate |
|---|----------------|----------|--------------|----------|---------------|----------|
| General Fund | 221,862 | 57,030 | 26,343 | 138,489 | \$3,198,886 | \$43.29 |
| Highway Fund | 482,957 | 124,500 | 60,000 | 298,457 | \$3,198,886 | \$93.30 |
| Fire Protection | 44,000 | 0 | 0 | 44,000 | \$9,329,826 | \$4.72 |
| Lighting Dist. I | 3,200 | 20 | 200 | 2,980 | \$222,770 | \$13.38 |
| Lighting Dist. II | 3,200 | 20 | 200 | 2,980 | \$252,150 | \$11.82 |
| Lighting Dist. III | 9,200 | 0 | 0 | 9,200 | \$816,181 | \$11.27 |
| Sidewalk | 5000 | 0 | 0 | 5,000 | \$816,181 | \$6.13 |
| Applicable tax rates - within former village (General, Highway, Fire, Lighting III, Sidewalk) | | | | | | \$158.71 |
| Applicable tax rates - outside former village (General, Highway, Fire, Lighting I and II) | | | | | | \$166.50 |

APPENDIX G Illustration of Property Tax Impact of \$100,000 home

1994

| Category | Market Value | Equalization rate | Taxable Value | Tax Rate | Tax Levy |
|----------------------------------|--------------|-------------------|---------------|----------|------------|
| Village | 100,000 | 9.18% | 9,180 | \$87.84 | \$806.37 |
| General town wide | 100,000 | 7.45% | 7,450 | \$41.29 | \$307.61 |
| General outside | 100,000 | 7.45% | 7,450 | \$1.65 | \$12.29 |
| Highway town wide | 100,000 | 7.45% | 7,450 | \$34.55 | \$257.40 |
| Highway outside | 100,000 | 7.45% | 7,450 | \$39.57 | \$294.80 |
| Fire Protection | 100,000 | 7.45% | 7,450 | \$12.57 | \$93.65 |
| Lighting I | 100,000 | 7.45% | 7,450 | \$13.30 | \$99.09 |
| Lighting II | 100,000 | 7.45% | 7,450 | \$10.67 | \$79.49 |
| Total Tax Levy - inside village | | | | | \$1,371.88 |
| Total Tax Levy - outside village | | | | | \$1,144.32 |

1995

| Category | Market Value | Equalization rate | Taxable Value | Tax Rate | Tax Levy |
|----------------------------------|--------------|-------------------|---------------|----------|------------|
| General | 100,000 | 7.52% | 7,520 | \$43.22 | \$325.01 |
| Highway | 100,000 | 7.52% | 7,520 | \$82.46 | \$620.10 |
| Fire Protection | 100,000 | 7.52% | 7,520 | \$12.57 | \$94.53 |
| Street Lighting I | 100,000 | 7.52% | 7,520 | \$13.46 | \$101.22 |
| Street Lighting II | 100,000 | 7.52% | 7,520 | \$11.79 | \$88.66 |
| Street Lighting III | 100,000 | 7.52% | 7,520 | \$11.77 | \$88.51 |
| Sidewalk | 100,000 | 7.52% | 7,520 | \$7.75 | \$58.28 |
| Total Tax Levy - inside village | | | | | \$1,186.43 |
| Total Tax Levy - outside village | | | | | \$1,229.52 |

1996

| Category | Market Value | Equalization rate | Taxable Value | Tax Rate | Tax Levy |
|----------------------------------|--------------|-------------------|---------------|----------|------------|
| General | 100,000 | 7.35% | 7,350 | \$42.48 | \$312.23 |
| Highway | 100,000 | 7.35% | 7,350 | \$89.80 | \$660.03 |
| Fire Protection | 100,000 | 7.35% | 7,350 | \$12.96 | \$95.26 |
| Street Lighting I | 100,000 | 7.35% | 7,350 | \$13.46 | \$98.93 |
| Street Lighting II | 100,000 | 7.35% | 7,350 | \$11.81 | \$86.80 |
| Street Lighting III | 100,000 | 7.35% | 7,350 | \$11.26 | \$82.76 |
| Sidewalk | 100,000 | 7.35% | 7,350 | \$6.12 | \$44.98 |
| Total Tax Levy - inside village | | | | | \$1,195.26 |
| Total Tax Levy - outside village | | | | | \$1,253.25 |

1997

| Category | Market Value | Equalization rate | Taxable Value | Tax Rate | Tax Levy |
|----------------------------------|--------------|-------------------|---------------|----------|------------|
| General | 100,000 | 7.35% | 7,350 | \$43.29 | \$318.18 |
| Highway | 100,000 | 7.35% | 7,350 | \$93.30 | \$685.76 |
| Fire Protection | 100,000 | 7.35% | 7,350 | \$4.72 | \$34.69 |
| Street Lighting I | 100,000 | 7.35% | 7,350 | \$13.38 | \$98.34 |
| Street Lighting II | 100,000 | 7.35% | 7,350 | \$11.82 | \$86.88 |
| Street Lighting III | 100,000 | 7.35% | 7,350 | \$11.27 | \$82.83 |
| Sidewalk | 100,000 | 7.35% | 7,350 | \$6.13 | \$45.06 |
| Total Tax Levy - inside village | | | | | \$1,166.52 |
| Total Tax Levy - outside village | | | | | \$1,223.85 |

APPENDIX H History of Tax Levy and Tax Rates

General Fund

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | 143,654 | 42.85 | \$3,352,647 | 7.45% |
| 1995 | 142,041 | 43.22 | \$3,286,484 | 7.52% |
| 1996 | 139,776 | 42.48 | \$3,289,779 | 7.35% |
| 1997 | 138,489 | 43.29 | \$3,198,886 | 7.35% |

Lighting District III

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | NA | NA | NA | NA |
| 1995 | 9,200 | 11.77 | \$781,888 | 7.52% |
| 1996 | 9,200 | 11.26 | \$816,971 | 7.35% |
| 1997 | 9,200 | 11.27 | \$816,181 | 7.35% |

Highway Fund

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | 218,756 | 65.25 | \$3,352,647 | 7.45% |
| 1995 | 271,000 | 82.46 | \$3,286,484 | 7.52% |
| 1996 | 295,416 | 89.80 | \$3,289,779 | 7.35% |
| 1997 | 298,457 | 93.30 | \$3,198,886 | 7.35% |

Sidewalk District

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | NA | NA | NA | NA |
| 1995 | 6,063 | 7.75 | \$781,888 | 7.52% |
| 1996 | 5,000 | 6.12 | \$816,971 | 7.35% |
| 1997 | 5,000 | 6.13 | \$816,181 | 7.35% |

Fire Protection

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | 33,600 | 12.57 | \$2,672,604 | 7.45% |
| 1995 | 41,300 | 12.57 | \$3,286,484 | 7.52% |
| 1996 | 42,650 | 12.96 | \$3,289,779 | 7.35% |
| 1997 | 44,000 | 4.72 | \$9,329,826 | 7.35% |

Lighting District II

| Fiscal Year | Tax Levy | Tax Rate Per \$1,000 | Assessed Value | Equalization Rate |
|-------------|----------|-------------------------|----------------|-------------------|
| 1994 | 2,680 | 10.67 | \$251,150 | 7.45% |
| 1995 | 2,980 | 11.79 | \$252,850 | 7.52% |
| 1996 | 2,980 | 11.81 | \$252,350 | 7.35% |
| 1997 | 2,980 | 11.82 | \$252,150 | 7.35% |

APPENDIX I

Town of Hume

Expenditure Trends

| | 1994 | 1995 | 1996 | 1997 |
|----------|-----------|-----------|-----------|------|
| General | 232,891 | 187,255 | 190,136 | NA |
| Highway | 426,701 | 396,987 | 383,436 | NA |
| Fire | 63,783 | 41,300 | 50,238 | NA |
| Lighting | 6,200 | 13,570 | 15,088 | NA |
| Sidewalk | 0 | 384 | 100 | NA |
| Sewer | 81,100 | 84,863 | 118,411 | NA |
| Water | 72,556 | 52,020 | 78,614 | NA |
| Total | \$883,231 | \$776,379 | \$836,023 | |

Real Property Tax Trends

| | 1994 | 1995 | 1996 | 1997 |
|--------------|-----------|-----------|-----------|-----------|
| General | \$213,264 | \$142,041 | \$139,766 | \$138,489 |
| Highway | 216,701 | 271,000 | 295,416 | 298,457 |
| Fire | 33,600 | 41,300 | 42,650 | 44,000 |
| Lighting I | 2,880 | 2,980 | 2,980 | 2,980 |
| Lighting II | 2,680 | 2,980 | 2,980 | 2,980 |
| Lighting III | NA | 9,200 | 9,200 | 9,200 |
| Sidewalk | NA | 6,060 | 5,000 | 5,000 |
| Total | \$469,125 | \$475,561 | \$497,992 | \$501,106 |

4. There shall be created and established a Town Special Improvement District to be known as the Town of Hume Sewer District, pursuant to Section 19-1914 of the Village Law and Article 12 of the Town Law, to take over, carry on and operate the Village of Fillmore Waste Water System; such Sewer District to become, without payment, the successor in title to all of the present sewer and waste water system of the Village of Fillmore. Such district shall consist of all of the area presently lying within the bounds of the Village of Fillmore. All of the real property lying within the bounds of the Village of Fillmore, as presently existing, shall be subject to tax assessment and/or indebtedness of such district, including the outstanding obligations and bonds issued at the time of the construction of such waste water system.
5. The Board of Trustees of the Village of Fillmore shall transfer to the Town of Hume Fire Protection District all of the Village of Fillmore's rights, title and interest in and to the Village Fire District together with any fire fighting equipment, facilities or other property. The Fillmore Fire District consisting of the Village of Fillmore shall be dissolved upon the dissolution of the Village of Fillmore, and all of the functions previously performed by such Fire District shall henceforth be performed by the Town of Hume Fire Protection District.
6. The Board of Trustees of the Village of Fillmore shall transfer and turn over to the Town of Hume, without consideration, all other property, both real, personal, mixed, intangible and tangible, owned by the Village of Fillmore and not specifically disposed of in the preceding paragraphs, which shall not have been liquidated as surplus, with the proceeds to be applied to the debts of the Village of Fillmore, if any.
7. Unless otherwise provided for in the preceding paragraphs, the outstanding debts and obligations of the Village of Fillmore, if any, shall be assumed by the Town of Hume and shall be a charge upon the real property located within the boundaries of the existing Village of Fillmore.
8. Any net savings resulting from the dissolution of the Village of Fillmore, or the implementation of the preceding proposals, shall be used to reduce the indebtedness of the former Village of Fillmore, or to enhance the governmental services called for in the preceding paragraphs for the area within the Village of Fillmore, rather than be distributed on an across the board basis within the area of the Town of Hume located outside of the Village of Fillmore.
9. Any unpaid taxes or assessments of the Village of Fillmore collected subsequent to the dissolution of the Village of Fillmore shall be levied and collected as the Town taxes are levied and collected, and shall be applied to any indebtedness of the former Village of Fillmore. All such taxes or assessments shall be administered in accordance with the provisions of Section 19-1918 of the Village Law.
10. Unless such action shall be contrary to the plan or inconsistent with law, the Town of Hume shall assume the duties and functions of the dissolved Village of Fillmore, and shall continue to provide the services theretofore provided by the Village. The cost of such services shall be a charge upon the taxable real property with the dissolved village unless the town board, acting pursuant to law, shall elect to provide such services by establishing or extending a special or an improvement district, or as a town function.
11. The offices of Mayor, members of the Board of Trustees, Treasurer, Village Clerk and Highway Superintendent shall be abolished upon the dissolution of the Village of Fillmore. The Town of Hume agrees to hire the two full time employees of the Wastewater and Water District to operate the new Town Water and Sewer Districts. The Town of Hume also agrees to employ the present Village Clerk-Treasurer to fulfill similar functions with the operations of the Town administration, such services to be rendered as an assistant to the present Town Clerk.

12. All Local Laws, Ordinances, Rules and Regulations of the Village of Fillmore in effect on the date of the dissolution of the Village of Fillmore shall continue to be enforced and administered by the Town of Hume for a period of two (2) years from the effective date of the dissolution. At the end of such two (2) year time period the Local Laws, Ordinances, Rules and Regulations of the Village of Fillmore shall become null and void unless the Town of Hume shall have re-enacted such laws or ordinances as its own laws or ordinances in accordance with the provisions of Section 19-1910 of the Village Law.

We, the undersigned, Trustees of the Village of Fillmore, New York, do hereby certify and swear that we canvassed the vote cast at the Special Village Election and the results were as follows:

AS TO PROPOSITION NO. 2:

| | |
|--|-----|
| Total number of votes recorded in favor of Proposition No. 2 | 99 |
| Total number of votes recorded in opposed to Proposition No. 2 | 9 |
| Total number of spoiled votes | 1 |
| Total number of votes cast | 109 |