

Village of Waddington Dissolution Study

Final Report

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Prepared By:



P.O. Box 3367
Saratoga Springs, NY 12866
518.899.2608

VILLAGE OF WADDINGTON DISSOLUTION STUDY

FOR PUBLIC PRESENTATION ON

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Faced with a small population, limited operating budget, and a promise to keep the costs of government as reasonable as possible, the Village of Waddington is interested in exploring all ways in which it can improve efficiency. One option includes the possibility of dissolving the Village and a Dissolution Study Committee is overseeing the evaluation of potential impacts on local service provision and tax rates. Using grant funds from the Department of State Local Government Efficiency Grant Program, the Village commissioned Camoin Associates to assist the Committee in its study.

What follows is the Dissolution Study that highlights the information collected and major findings of the Committee. A separate Dissolution Plan is being formulated that would be implemented should Village residents vote by referendum to dissolve the Village.

BACKGROUND

The Village of Waddington is located in northern St. Lawrence County. According to the US Census Bureau¹, 923 people reside in the Village. The per capita income for the Village is \$22,568 and 5.8% of families and 8% of the total population live below the poverty line. The Village comprises a total of 2.4 square miles and can be seen in the map below in blue. The red polygon is the Town of Waddington.



1. U.S. Census Bureau 2010 Population Estimates



In mid 2010, the Village Board appointed six individuals to sit on the Dissolution Study Committee to evaluate the impact of dissolution on the provision of municipal services and consider the fiscal ramifications of such a decision. The Committee is composed of residents of the Town and Village and met regularly starting in September of 2010. The Committee carefully reviewed the budget of the Town and Village, current assets and liabilities of the Village, employee benefits and a variety of other factors that affect the outcome of the study and the positive/negative impact of dissolution on Village and Town residents.

METHODOLOGY

Throughout the process the Committee has remained committed to conducting a thorough and balanced study of the impact of dissolution on the Village and Town of Waddington residents, and has made every effort to review all aspects of the budget and the possibilities of dissolution. The following section summarizes the methodology employed by the Committee to reach the findings outlined in this report.

The initial review conducted by the Committee was of the Village's General Fund budget to identify any costs listed that may not accurately represent the true costs of Village government. All of these changes were made in coordination with the Village Clerk and the Village Mayor following detailed discussions about the Village's budget¹. For example, the costs of all Village employee benefits were listed in the General Fund budget when, in actuality, some of those costs really "belong" to the operations of the Water Fund and Sewer Fund. The Committee therefore moved some of the employee benefits costs out of the General Fund and into the Water and Sewer Funds on a proportional basis so that the "true" costs of water and sewer service provision could be quantified. Other modifications included adding costs to the Deputy Clerk and Animal Control personnel services line items because the full cost of their services were not budgeted for in the General Fund budget. Certain amounts classified as employee benefits of the General Fund are costs related to retired Village employees. Those costs were separated out from benefits provided to active employees. The same review and adjustments were conducted for the Water and Sewer Fund and the employee benefits were added as appropriate to the cost of the two funds.

The Committee reviewed individual line items of the budget to determine which costs would be eliminated (savings from efficiency), which would be transferred to the Town and which would be transferred to a special district. This process was time consuming, involved several full committee meetings and consultations with the Town and various State agencies as well as legal counsel, insurance agents and local/regional authorities. This effort was necessary because the Committee needed to fully understand each revenue and expense budget item comprehensively, and understand the various implications of dissolution.

In addition to reviewing the distribution of costs following dissolution, the Committee also reviewed the Village's revenues to determine which would transfer to the Town. One of the primary questions was whether the Village's annual payment of \$80,000 from the New York Power Authority Community Enhancement Fund would transfer directly to the Town. The Committee posed this question to the Task Force charged with distributing the Community Enhancement Funds and requested a decision be made prior to the completion of the dissolution study. The Task Force has since passed a resolution stating that the annual payment would be transferred directly to the Town following dissolution.

¹ Detailed discussions were had with the Town Supervisor and Clerk regarding their budget as well so that Camoin Associates would have a full understanding of the Town and Village fiscal situations.



Once the Committee was finished reviewing the distribution of costs and services it was possible to determine how the dissolution would impact tax rates and eventual tax bills of residents. Camoin Associates used the information regarding the total costs and revenues transferring to the Town, as well as the information on the special districts, to determine the total tax levies and associated tax rates. The impact of dissolution on the tax levy and tax rate can be found in the Fiscal Impact section of this report.

FINDINGS

The Committee looked at the current operations of the Village, including its assets, liabilities, staffing and service provision as well as local laws in force and existing agreements. Major findings of this analysis are shown below.

Assets and Long Term Liabilities

The Village's asset list includes the fire station, the water and sewer operations equipment and real property (sewage treatment plant, water tank, etc.), the indoor skating arena, vehicles, and various other equipment and machinery. For a full list of the Village's assets please see the Attachment A. The Village's General Fund long term annual liabilities include \$16,000 in retiree benefits and \$23,000 annually in debt service for a fire truck with an expected end date of 2015 (\$133,614 in principle remaining). In addition, the Sewer Fund pays approximately \$109,000 in debt service annually with an expected end date of 2020 (\$1,085,250 in principle remaining).

Upon dissolution, the Village would transfer all General Fund assets to the Town. The Committee's expectation is that the Town would honor all existing leases, agreements, or other arrangements between the Village and lessees/lessors or other users of Village property. The Village's retiree benefit liability would not become a Town General Fund expense but would instead be paid for by current Village residents as a special district tax.

The Village currently provides fire protection to the Town through an agreement with the Town Board. The Town charges the cost of such fire protection to its existing Fire Protection District, which covers the entire Town except the Village. If the Village is dissolved, the Committee recommends that the Town simply expand its current Fire Protection District to include the Village. The assets and liabilities from the Village's fire department would be transferred to the Town, including the cost of debt service on the fire truck. The Town would lease the equipment and buildings to the newly created Waddington Fire Company (a non-profit organization to be formed for this purpose) for its use in serving the community. Members of the Village's Fire Department would now serve as members of the Waddington Fire Company. The Town would charge an appropriate tax to the Fire Protection District residents to cover all costs of fire protection from the Waddington Fire Company.

The assets and liabilities associated with the Water and Sewer Fund would become assets/debts of the Town's newly created Water District and Sewer District. All costs for both water and sewer would continue to be paid by charging a fee to water and sewer users.

Services

The Committee took a close look at each of the line items in the Village's budget and determined what the impact of dissolution would be on municipal service provision and Town expenses. The



Village budget was divided up into major municipal services and grouped together for review by the Committee². The Committee then looked at each item and discussed whether there would be savings created, whether costs may be transferred to special districts or whether costs would be transferred to the Town. Overall, the Committee found that residents of the Village of Waddington would not see any significant changes in the quality or provision of major municipal services. They would continue to have their streets plowed, parks maintained, water and sewer service provided and would receive all of the other services they currently enjoy.

The following section describes the Committee’s analysis on a service-by-service basis. It shows how the costs of service provision would be: (a) transferred to the Town, (b) transferred to a special district created after dissolution and covering the existing boundaries of the Village, or (c) would be eliminated through an efficiency gain (“savings from efficiency” in the tables below).

The Legislative Board category includes the Village Mayor and Trustees and all associated benefits. Upon dissolution there would be no Village Mayor or Village Trustees and therefore there would be some savings created by dissolving the Village. While most of the costs associated with the Village Board would be eliminated, the Committee anticipates an increased cost for the Town Board following dissolution of \$4,300. The Committee made this determination by estimating that future Town Board members would require some increase in compensation for the additional duties assumed because they are now overseeing a larger operation. Therefore, we show \$4,300 transferred to the Town while \$10,213 is identified as savings from efficiency.

LEGISLATIVE Board of Trustees	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
LEGISLATIVE Board of Trustees						
Personnel Service	\$ 6,000	\$ 4,000	\$ 2,000			\$ 6,000
SS&MED	\$ 450	\$ 300	\$ 150			\$ 450
EXECUTIVE MAYOR						
Personnel Service	\$ 7,500	\$ 5,500	\$ 2,000			\$ 7,500
SS&MED	\$ 563	\$ 413	\$ 150			\$ 563
Total- Village Board	\$ 14,513	\$ 10,213	\$ 4,300	\$ -	\$ -	\$ 14,513

The Village Clerk/Finance category includes the Village Clerk and Deputy Clerk roles as well as any contractual expenses related to Clerk responsibilities. It is expected that the majority of the costs associated with the Clerk position would be transferred to the Town in terms of an increased salary for the Town Clerk and additional hours necessary for the Deputy Clerk. The Committee anticipates a savings of \$6,838 and a transfer to the Town of \$24,425 in additional costs.

Village Clerk/Finance	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
FINANCE CLERK TRES.						
Personnel Service	\$ 18,500	\$ -	\$ 18,500			\$ 18,500
Contractual	\$ 6,000	\$ 2,000	\$ 4,000			\$ 6,000
SS&MED	\$ 1,388	\$ -	\$ 1,388			\$ 1,388
Deputy Clerk	\$ 3,000	\$ 2,500	\$ 500			\$ 3,000
SS&MED	\$ 225	\$ 189	\$ 37			\$ 225
Plus Deputy Clerk additional salary	\$ 2,000	\$ 2,000	\$ -			\$ 2,000
SS&MED	\$ 150	\$ 150	\$ -			\$ 150
Total - Village Clerk	\$ 31,263	\$ 6,839	\$ 24,424	\$ -	\$ -	\$ 31,263

The following table outlines the Other General Government category which includes costs associated with general operation of the Village. It is anticipated that approximately \$24,800 of the costs associated with the Village Other General Government category would no longer be

² Camoin Associates grouped associated employee benefits into the major categories to include the whole cost. Any items in bold are modifications made by Camoin Associates following detailed discussions with the Village Mayor and Clerk.



necessary, \$42,125 would be transferred to the Town and \$1,500 would be transferred to special districts. The \$1,500 for special districts includes any mailings associated with the Water and Sewer district. The Committee met with the Town lawyer to get an estimate of what additional costs would be borne by the Town in legal expenses if the Village was to dissolve and it was estimated to be around \$3,500. This results in a savings of \$4,000 in legal costs. Additionally, there will be some savings in terms of consolidating the insurance policies of the Town and Village and a reduction in building contractual costs and municipal dues.

Other General Government	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
SHARED SERVICES						
Building Contractual	\$ 9,000	\$ 5,200	\$ 3,800			\$ 9,000
Central Printing and Mailing	\$ 5,000	\$ 3,000	\$ 500	\$ 1,500		\$ 5,000
SPECIAL ITEMS						
Unallocated Insurance	\$ 20,000	\$ 1,200	\$ 18,800			\$ 20,000
Municipal Dues- NYCOM/SLC	\$ 1,000	\$ 700	\$ 300			\$ 1,000
Contingent Account	\$ 25,000	\$ 10,000	\$ 15,000			\$ 25,000
REFUSE COLLECTION						
Contractual	\$ 700	\$ 700				\$ 700
STAFF LAW	\$ 7,500	\$ 4,000	\$ 3,500			\$ 7,500
ECONOMIC ASSISTANCE & OPPORTUNITY						
American Legion	\$ 225		\$ 225			\$ 225
Total- Other General Government	\$ 68,425	\$ 24,800	\$ 42,125	\$ 1,500	\$ -	\$ 68,425

Currently, the Fire Department costs of \$76,135 are shared between the Village and the Town’s existing Fire Protection District by agreement between the Village and Town. Upon dissolution, the Fire Department costs would be wholly transferred to the Town’s Fire Protection District. The Fire Protection District, as noted above, would expand to include the Village. A Fire Protection District tax would continue to be levied to pay for these fire protection services.

FIRE DEPARTMENT	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
FIRE DEPARTMENT						
Services	\$ 1,250			\$ 1,250		\$ 1,250
Equipment	\$ 20,000			\$ 20,000		\$ 20,000
Contractual	\$ 25,000			\$ 25,000		\$ 25,000
DEBT SERVICE						
Principal - Truck	\$ 23,878			\$ 23,878		\$ 23,878
Interest	\$ 6,007			\$ 6,007		\$ 6,007
Total- Fire Department	\$ 76,135	\$ -	\$ -	\$ 76,135	\$ -	\$ 76,135

The Public Safety category includes the animal control officer and the code enforcement officer personnel services and contractual costs. All of these costs would be transferred to the Town and there would be no savings from efficiency. The Committee made this determination under the assumption that the number of code and animal control incidents would not change upon dissolution but would instead be covered solely by the Town.

PUBLIC SAFETY	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
ANIMAL CONTROL						
Animal Control/Constable	\$ 600		\$ 600			\$ 600
SS&MED	\$ 45		\$ 45			\$ 45
Plus additional Animal Control salary	\$ 1,800		\$ 1,800			\$ 1,800
SS&MED	\$ 135		\$ 135			\$ 135
Code Enforcement Officer	\$ 3,800		\$ 3,800			\$ 3,800
SS&MED	\$ 285		\$ 285			\$ 285
Contractual	\$ 2,000		\$ 2,000			\$ 2,000
Total - Public Safety	\$ 8,665	\$ -	\$ 8,665	\$ -	\$ -	\$ 8,665



The Street Maintenance category includes most of the personnel services of the Department of Public Works as well as other costs associated with maintaining the roadways in the Village. Over \$176,127 in Street Maintenance costs would be transferred directly to the Town to continue maintenance and upkeep. The remaining \$71,455 would transfer as follows: (a) \$28,000 would transfer to a newly formed special district to pay for lighting in the Village and (b) \$43,455 would transfer to the newly formed Water District and Sewer District. The Committee found, upon review of the personnel services in this category, that a portion of the employee hours that are currently charged to the General Fund are actually costs associated with water and sewer services.

STREET MAINTENANCE	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
TRANSPORTATION (STREETS)						
Personnel Services	\$ 94,000		\$ 66,218	\$ 27,782		\$ 94,000
Est. General Fund Emp Benefits and WC	\$ 53,031		\$ 37,358	\$ 15,673		\$ 53,031
Contractual	\$ 45,000		\$ 45,000			\$ 45,000
STREETS (CHIPS)						
Perm Improvements	\$ 26,751		\$ 26,751			\$ 26,751
SNOW REMOVAL						
Contractual	\$ 800		\$ 800			\$ 800
STREET LIGHTING						
Contractual	\$ 28,000			\$ 28,000		\$ 28,000
Total - Street Maintenance	\$ 247,582	\$ -	\$ 176,127	\$ 71,455	\$ -	\$ 247,582

The Culture and Recreation category includes costs for the stadium maintenance, park maintenance, the historian and other recreation costs. The Committee anticipates all of these costs transferring directly to the Town with the exception of \$300 in contractual costs for the historian.

CULTURE AND RECREATION	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
RECREATION AND PARKS						
Personnel Services	\$ 18,000		\$ 18,000			\$ 18,000
Estimated Benefits and WC	\$ 10,155		\$ 10,155			\$ 10,155
Contractual	\$ 22,480		\$ 22,480			\$ 22,480
STADIUM (Civic Center)						
Contractual	\$ 15,000		\$ 15,000			\$ 15,000
Maintenance	\$ 1,000		\$ 1,000			\$ 1,000
DOCKS						
Contractual	\$ 2,500		\$ 2,500			\$ 2,500
HISTORIAN						
Personnel Service	\$ 150		\$ 150			\$ 150
SS & MED	\$ 11		\$ 11			\$ 11
Contractual	\$ 300	\$ 300				\$ 300
CELEBRATIONS						
Contractual	\$ 500		\$ 500			\$ 500
JOINT RECREATION						
Contractual	\$ 7,592		\$ 7,592			\$ 7,592
Total - Culture and Recreation	\$ 77,688	\$ 300	\$ 77,388	\$ -	\$ -	\$ 77,688

After a review of all of the budget line items, it was determined that following dissolution \$42,150 would be saved, \$333,030 would be transferred to the Town budget and \$149,090 would be transferred to special districts.

Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
\$ 42,150	\$ 333,030	\$ 149,090	\$ -	\$ 524,270



All of the costs associated with the Village’s Water and Sewer Fund would be transferred to individual special districts.

WATER SUPPLY	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
Personnel Service	\$ 22,000	\$ -	\$ -	\$ 22,000	\$ -	\$ 22,000
Estimated Emp Ben and WC from GF	\$ 12,411	\$ -	\$ -	\$ 12,411	\$ -	\$ 12,411
Contractual - Water Plant	\$ 46,000	\$ -	\$ -	\$ 46,000	\$ -	\$ 46,000
Municipal Dues	\$ 60	\$ -	\$ -	\$ 60	\$ -	\$ 60
Contingency	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Less unused contingency	\$ (10,000)	\$ -	\$ -	\$ (10,000)	\$ -	\$ (10,000)
Unallocated Insurance from GF	\$ 1,000			\$ 1,000		\$ 1,000
EMPLOYEE BENEFITS						
Social Security	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500
Medicare	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ 500
Total - Water Fund	\$ 83,471	\$ -	\$ -	\$ 83,471	\$ -	\$ 83,471

SEWAGE TREATMENT & DISPOSAL	Budget Amount	Savings From Efficiency	Transfer to Town	Transfer to Special District	Eliminate the Service	Total
Personnel	\$ 22,000	\$ -	\$ -	\$ 22,000	\$ -	\$ 22,000
Estimated Emp Ben and WC from GF	\$ 12,411	\$ -	\$ -	\$ 12,411	\$ -	\$ 12,411
Contractual	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ -	\$ 80,000
SANITATION SERVICES						
Contractual	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Unallocated Insurance Moved from GF	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
EMPLOYEE BENEFITS						
Social Security	\$ 1,800	\$ -	\$ -	\$ 1,800	\$ -	\$ 1,800
Medicare	\$ 400	\$ -	\$ -	\$ 400	\$ -	\$ 400
DEBT SERVICE						
Sewer Plant Debt Service	\$ 109,525	\$ -	\$ -	\$ 109,525	\$ -	\$ 109,525
Total - Sewer Fund	\$ 277,136	\$ -	\$ -	\$ 277,136	\$ -	\$ 277,136

Employees

As outlined in the line-by-line review of Village costs, there would be some savings from efficiency created by a reduction in personnel services after dissolution. Personnel services account for a large part of the Village’s budget and the elimination of any redundant or unnecessary positions would allow the Town to be more efficient. The following section outlines the impact on employment upon dissolution and how Village employees would be affected.

Elimination

Upon dissolution of the Village of Waddington any unnecessary or redundant positions would be eliminated to create efficiencies where feasible. The eliminated positions would include:

- Village Mayor
- Village Trustees (4)
- Village Clerk
- Deputy Clerk

While there would be an increase in the Town Clerk’s workload due to additional phone calls, letters, complaints, etc., it is assumed that this additional work can reasonably be completed by the current Town Clerk with additional hours from existing Town employees including:

- Town Deputy Clerk (making the Deputy position full-time from two days a week).

Transfer

Following dissolution, all of the Village Department of Public Works employees (3)³ and the code enforcement/animal personnel would become employees of the Town.

³ The Committee does not anticipate any collective bargaining unit issues related to the transfer of the DPW employees because the Village and Town belong to the same union and same local.



Agreements

The Committee reviewed the situation and concluded that there is no specific need to establish formal agreements with the Town to carry out the dissolution.

Local Laws

By default under the State statute, all Village local laws, ordinances, rules, and regulations would remain in effect for a period of two years following dissolution. These may be enforced by the Town Board within the limits of the dissolved Village. Following the date of dissolution, the Town can take any of the following actions on each of the Village's surviving local laws:

- Adopt the Village local law as a Town local law, or
- Amend and adopt a revised version of the Village local law as a Town local law, or
- Repeal the Village local law, or
- Allow the Village local law to expire after two years.

After review of each local law, the Committee anticipates that the Village's current local laws will be treated in the following manner.

Village laws would not become part of Town law:

<u>Local Law #</u>	<u>Year</u>	<u>Description</u>
1	1968	Utility Tax
1	1977	Joint Recreation Commission for Village & Town
1	1978	Tax Abatement
1	1981	Salary Raise for the Mayor
1	1984	Termination Assessing Unit Rural Property Law
1	1985	Administration/ Enforcement of Fire Code Prev. & Building Code
2	1985	Retirement Incentive
1	1989	Village of Waddington TWRP Consistency Law
1	1998	Amending Zoning Ordinance & Planning board from 3-5
1	1999	Establishing 4 year terms for Elected Officials
1	2001	Re-establishing Waddington Village as an Assessory Unit
1	2006	Village Clerk Residency
3	2007	Authorization for Certain Officials to Issue Appearance Tickets
1	2008	Termination of Assessing Unit

The reasoning is that these local laws only apply to Village government (Mayor, Village planning board, etc.) to Village taxation (eg. utility tax cannot be imposed by a Town) or certain internal practices of Village administration.



The following current Village laws would be adopted as-is or modified at the discretion of the Town Board:

<u>Local Law #</u>	<u>Year</u>	<u>Description</u>
1	1971	Sewer Ordinance/Dutch Elm Tree Ordinance
1	1976	Swimming Pools
2	1977	Prohibition of All Night Parking
2	1978	Games Of Chance
1	1979	Amendment to Sewer Ordinance
1	1980	State Fire Prevention Code
2	1980	Ensure Farmers in the sale & rental of dwellings
2	1981	Civil Rights Action
1	1982	No Civil Action (written 30 days prior)
2	1984	Recreational Vehicles
1	1987	Open Container Ordinance
1	1990	Amendment to Zoning Ordinance
2	1990	Amendment to Prohibition of All Night Parking of 1977
1	1991	Mandatory Recycling
1	1992	Rezoning Change
1	1993	Games of Chance
1	1995	Short title (publication of Abstract of Local Laws)
2	1995	Zoning & Subdivision
3	1995	Junkyards
1	1996	Use of Village Docks
1	1997	Rezoning Flacks
1	1998	Property Maintenance
2	2001	Recreational Vehicles
1	2002	Establishing Definition & Use of Minor Subdivision
2	2006	Prohibition of Outdoor Wood Burning Furnaces
1	2007	Unsafe Buildings
2	2007	NYS Fire Prevention & Building Code



ALTERNATIVES TO DISSOLUTION

As part of the dissolution study, consideration was paid to cost savings that could be generated from alternatives to dissolution such as shared services, functional consolidation and reduction or elimination of services. A review of the services offered in the Village was conducted to identify any areas where savings could be found

The following summarizes the consideration paid to alternatives to dissolution for the major service areas.

- Board of Trustees – savings on this service would only be achieved through dissolution. Dissolution would eliminate the need for the Mayor and Trustees thereby creating the savings, but anything short of dissolution would require the Mayor and Trustees to remain and all associated costs.
- Clerk/Finance – savings is only achievable through dissolution for the Clerk/Finance position since there would be a reduction in work load and other costs. There is no potential for shared services, consolidation or elimination for this work because without dissolving the Village the workload would remain and therefore the cost of the position would remain.
- Other General Government – the review of the Other General Government expenses found that dissolution would eliminate some of the costs but that there were no other options for reducing the cost of government without dissolution. The savings identified from insurance, building contractual, staff lawyer and the others was because of a reduction in duplication of work and costs. The Committee did not see potential for shared services, consolidation or elimination.
- Fire Department – no savings possible from dissolution, consolidation, shared services or elimination.
- Public Safety – no savings possible from dissolution, consolidation, shared services or elimination.
- Street Maintenance – no savings possible from dissolution, consolidation, shared services or elimination.
- Culture and Recreation – savings possible from dissolution because the work will be done through the Town, but it is unlikely savings would occur without dissolution.
- Water Supply – no savings possible from dissolution, consolidation, shared services or elimination.
- Sewage Treatment & Disposal – no savings possible from dissolution, consolidation, shared services or elimination.

After the Committee's review, it was determined that it is highly unlikely that Village officials would reduce or eliminate such service offerings to their constituents. Since the Village and Town of Waddington already work closely together on many of the major municipal services the review found that without dissolution, additional cost savings are unlikely.



FISCAL IMPACTS

Below are the assumptions and results of the fiscal analysis conducted by the Committee to determine the impact of dissolution on the Town budget, local tax rates and average homeowner tax bill. This included a review of existing budgets⁴, interviews with Town and Village personnel and follow-up phone calls with various municipal employees. The list of individuals interviewed in relation to this study can be found in Attachment B.

Savings

The first step was to identify what costs, upon dissolution, would not transfer to the Town or to a special district and therefore could be considered savings. Taking the information gathered during the service-by-service analysis of cost distribution, the Committee identified what savings could be expected. The table to the right summarizes the savings from efficiency that would be achieved through dissolution of the Village. There would be a \$10,000 reduction in legislative costs (some costs may transfer to the Town for additional pay for board members) and a \$6,000 reduction in costs for the Clerk/Treasurer. Finally, there would be a \$25,000 reduction in other general government operations costs. Therefore, a total of \$42,150 in efficiency savings could be realized through dissolution.

Savings From Efficiency	
Legislative Board	
Village Board	\$ 4,000.00
Village Board Benefits	\$ 300.00
Mayor	\$ 5,500.00
Mayor Benefits	\$ 412.50
Clerk/Treasurer	
Contractual	\$ 2,000.00
Deputy Clerk	\$ 4,500.00
Deputy Clerk Benefits	\$ 337.50
Other General Government	
Building Contractual	\$ 5,200
Central Printing and Mailing	\$ 3,000
Unallocated Insurance	\$ 1,200
Municipal Dues- NYCOM/SLC	\$ 700
Contingent Account	\$ 10,000
Refuse Collection	\$ 700
Village Lawyer	\$ 4,000
Culture and Recreation	
Historian Contractual	\$ 300
TOTAL	\$42,150.00

Transfer to Special District

The next step was to identify what costs would be transferred to a special district. Again taking the information from the service-by-service analysis, the Committee identified the creation of four

Transfer to Special District	
Lighting District	\$ 28,000
Fire Protection District	\$ 76,135
Personnel Services To Water District	\$ 2,769
Personnel Services to Sewer District	\$ 25,013
Employee Benefits to Water District	\$ 1,562
Employee Benefits to Sewer District	\$ 14,111
Printing/Mailing to Water District	\$ 750
Printing/Mailing to Sewer District	\$ 750
TOTAL	\$149,090

special districts including: water district, sewer district, lighting district and a district to pay the benefits for retired Village employees. Costs associated with these individual districts were transferred separately and make up the \$149,090 as shown in the table. The costs of the water, sewer, lighting and retiree benefits would be billed only to current Village residents whereas the Fire Protection District costs would be billed to the entire Town tax base⁵.

⁴ The Committee examined the Village’s adopted 2010-2011 budget and the Town’s adopted 2010 budget

⁵ This is, in effect, what is happening currently except that the costs of fire protection are paid by the Village and reimbursed in part by the residents of the Town-Outside-Village.



Appropriations

The detail of the costs transferred to the Town following dissolution is shown in the service-by-service budget analysis conducted above and summarized to the right. Of the Total Village General Fund expenses of \$542,270, \$333,030 would be transferred to the Town following dissolution.

Village General Fund Appropriation Distribution	
Total Village General Fund Budget	\$ 524,270
Savings From Efficiency	\$ (42,150)
Transfer to Special District	\$ (149,090)
Village General Fund Expenses Transferred to Town	\$ 333,030

The following table outlines how dissolution of the Village would impact the Town's appropriations. The dissolution of the Village would make the "New Town⁶" General Fund appropriations \$1,727,738.

Projected "New Town" Appropriations	
Town General Fund 2010-2011 Appropriations	\$ 1,394,708
Village General Fund Expenses Transferred to Town	\$ 333,030
Total "New Town" Appropriations	\$ 1,727,738

Revenue

The next step of the analysis was to determine what revenues collected by the Village would be transferred to the Town following dissolution. The State Aid revenues collected by the Village would be transferred to the Town including those of the Consolidated Highway Improvement Program (CHIPs) funding, mortgage tax revenue, New York State Aid and Incentives to Municipalities ("AIM", discussed below in more detail) and state tax relief would all become Town revenues.

Currently, the Village receives certain AIM money from New York State. Such AIM funds would transfer to the Town upon Village Dissolution. However, if the Village dissolves, the consolidated community would be eligible for additional AIM (referred to hereafter as "New AIM" or "Additional AIM") under the formulas for AIM funding as they exist today in state statute. The value of this Additional AIM incentive money is \$62,509 and would exist in perpetuity. Currently the Town and Village collectively receive \$151,400. If the Village dissolves, the Town would receive the \$151,400 plus the Additional AIM of \$62,509 for a total of \$213,909. Furthermore, future adjustments in AIM would be based on this new figure of \$213,909.

All of these calculations assume that the AIM funding statutes continue to exist into the future as currently drafted, including the provisions for the Additional AIM. The Committee has concerns about this assumption given the difficult budget situation faced by New York State. Therefore, the Committee presents two scenarios below: one that assumes that Additional AIM will continue into the future and one that assumes that Additional AIM will not be available in the future.

Sources of Village revenue which would not be transferred to the Town include the Gross Utilities Tax⁷ (\$15,000), the Village's property tax revenue (\$155,853) and the \$35,000 that was

⁶ "New Town" is the Town of Waddington following dissolution of the Village.

⁷ Towns cannot collect a Gross Utilities Tax



collected from the Town annually for fire protection services. The following table summarizes the impact of dissolution on the Town's revenue. More detail can be found in Attachment C of the study.

"New Town" Non-Property Tax Revenues	
Village General Fund Revenue	\$ 527,033
Non Transferrable Village Revenue	\$ (205,853)
Total Village Revenue Transferred to Town	\$ 321,180
Total Town Non-Prop Tax Revenue	\$ 1,013,832
Total "New Town" Non-Prop Tax Revenues	\$ 1,335,012

Impact on Required Tax Levies

The following table outlines the impact of dissolution on the Town Budget in terms of the required tax levy and tax rates. The tables above outlined that the new General Fund appropriations would be \$1,727,738 and the new revenues would be \$1,335,012. In order to make a fair comparison, the Town's 2010 budgeted use of unexpended fund balance is carried forward. With the appropriation and revenue levels as such, the required General Fund tax levy would be \$272,726 and the tax rate would be \$2.32 per \$1,000 of assessed value without any funding from the Additional AIM described above. With the Additional AIM payment, the required tax levy would be \$210,217 and the tax rate would be \$1.79 per \$1,000 of assessed value.

"New Town" Tax Levy and Rates	
Total "New Town" Appropriations	
General Fund (without lighting district or fire protection district)	\$ 1,727,738
Non-Property Tax Revenue	\$ (1,335,012)
Town's Use of Unexpended Fund Balance	\$ (120,000)
Village's Use of Unexpended Fund Balance	\$ -
Required General Fund Tax Levy	\$ 272,726
Tax Rate Without Additional AIM	
Required General Fund Tax Levy	\$ 272,726
Taxable Assessed Value	\$ 117,446,839
General Fund Tax Rate without Additional AIM	\$ 2.32
Tax Rate With Additional AIM	
Required General Fund Tax Levy	\$ 272,726
Additional AIM	\$ (62,509)
General Fund Tax Levy With Additional AIM	\$ 210,217
Taxable Assessed Value	\$ 117,446,839
General Fund Tax Rate with Additional AIM	\$ 1.79



The expenditures and revenues for the various special districts are listed in the table to the right, as well as the anticipated tax rate necessary to fill the required tax levy. For the lighting district, Village residents would be charged \$0.58 per \$1,000 of assessed value to continue to receive this service. Throughout the entire “New Town”, the charge for fire protection would be \$0.65 per \$1,000 of assessed value. Finally, for Village residents, there would be a charge of \$0.35 per \$1,000 of assessed value to pay for the health benefits of retired Village employees.⁸

Special District Tax Levy and Rates	
Lighting District	
Total Lighting District Expenditures	\$ 28,000
Non-Property Tax Revenue	\$ -
Total Assessed Value (Village District)	\$ 48,492,141
Projected Lighting District Tax Rate	\$ 0.58
Fire Protection District	
Total Fire Protection District Expenditures	\$ 76,135
Non-Property Tax Revenue	\$ -
Fire Protection District Tax Levy	\$ 76,135
Total Assessed Value (Townwide)	\$ 117,446,839
Projected Fire Protection District Tax Rate	\$ 0.65
Special District - Retiree Benefits	
Total Retiree Benefits	\$ 16,740
Non-Property Tax Revenue	\$ -
Retiree Benefits Tax Levy	\$ 16,740
Total Assessed Value (Village District)	\$ 48,492,141
Projected Retiree Benefit Tax Rate	\$ 0.35

The Water and Sewer Fund that are currently managed by the Village of Waddington would become a Water District and a Sewer District to be paid for by the users⁹. As discussed previously, the Committee transferred certain costs from the General Fund to the districts resulting in an increase in the total expenditures for the Water and Sewer District. Once the costs were accurately accounted for in the specific districts, there was a 10.6% increase in appropriations for the Water District and a 20.2% increase in appropriations for the Sewer District. These increases would be reflected in the water and sewer rates and would require an annual water rate of \$143.79 and an annual sewer rate of \$556.55.

Water District	
Modified Water District Appropriations	\$ 88,552.60
Village Water Fund Appropriations	\$ 80,060.00
Change in Appropriations	10.6%
Current Village Resident Water Rate	\$ 130.00
New Water District Resident Rate	\$ 143.79
Sewer District	
Modified Sewer District Appropriations	\$ 317,010
Village Sewer Fund Appropriations	\$ 263,725
Change in Appropriations	20.2%
Current Village Resident Sewer Rate	\$ 463.00
New Sewer District Resident Rate	\$ 556.55

Impact on Tax Payers

Using the tax levies, tax rates and water and sewer rates calculated in the tables above, the following table determines the tax rates and the impact on an “average” homeowner in the community. The analysis determined that dissolution would be beneficial to Village residents but

⁸ This figure of \$0.35 per \$1,000 would exist until such time as there are no longer any former Village employees receiving benefits.

⁹ Only Village residents have water and sewer service.



could have either a positive or a negative impact on Town residents. The impact to Town residents is dependent on whether the Additional AIM is available for Towns as discussed above.

Impact on Tax Rates				
	Current	Dissolve with AIM	Dissolve w/o AIM	
Town General	\$ 2.22	\$ 1.79	\$ 2.32	
Village General*	\$ 3.16	\$ -	\$ -	
Fire Protection	\$ 0.51	\$ 0.65	\$ 0.65	
Lighting	\$ -	\$ 0.58	\$ 0.58	
Special District - Retiree Benefits	\$ -	\$ 0.35	\$ 0.35	
Town Resident Tax Rate	\$ 2.73	\$ 2.44	\$ 2.97	
Village Resident Tax Rate	\$ 5.38	\$ 3.36	\$ 3.89	
Impact on a Home Assessed at \$100,000				
Town Resident				
	Current	Dissolve with AIM	Dissolve w/o AIM	
Town Tax Bill	\$ 272.88	\$ 243.81	\$ 297.04	
Difference From Current		\$ (29)	\$ 24	
Village Resident				
	Current	Dissolve with AIM	Dissolve w/o AIM	
Village & Town Tax Bill	\$ 537.82	\$ 336.08	\$ 389.30	
Water Bill	\$ 130.00	\$ 143.79	\$ 143.79	
Sewer Bill	\$ 463.00	\$ 556.55	\$ 556.55	
Total	\$ 1,130.82	\$ 1,036.41	\$ 1,089.64	
Difference From Current		\$ (94)	\$ (41)	

*The current village tax rate of 3.21 has been adjusted to 3.16 to account for modifications made to budget figures and the removal of fund balances.

As the table shows, the tax rate for a Town resident would go down slightly from current levels if the Additional AIM payment is made and would increase slightly without the Additional AIM payment. For a current Village resident there would be a benefit from dissolution whether or not the state incentive occurs (\$94 annually with Additional AIM and \$41 annually without Additional AIM). There will be a steep decline in the Village residents' tax rate, but they would be paying higher costs for the water and sewer district expenses because some of those costs were transferred to these districts from the general fund.

Effective Date of Dissolution

The effective date of dissolution, should Village voters decide by referendum to dissolve the Village, would be take place as specified in the Dissolution Plan. The exact Dissolution Plan is still under development, but the Committee feels that if approved by a majority of the qualified voters, the Village of Waddington will be dissolved as of the end of the Town fiscal year in the year after a referendum to dissolve has been passed.

Estimated Cost to Village of Dissolution

If the Village Board decides that it would like Village residents to vote on whether or not to move forward with dissolution it will be imperative that the Village and Town enter into a Memorandum of Understanding ("MOU") regarding key transition issues. The MOU should cover instances where the Village wants a clear understanding of how the Town will act following dissolution on issues such as hiring the DPW employees, maintaining the youth program, maintaining existing Village services and other situations where the Town would have to accept additional costs. The MOU will require some upfront work by the Village to prepare and this is likely to involve approximately \$15,000 in legal fees that would be incurred prior to dissolution.



ATTACHMENT A – LIST OF VILLAGE ASSETS

Village of Waddington Asset Inventory			
Equipment	Value	Equipment	Value
Pickup 2000 Chevy	\$ 2,200	Shop Air Compressor	\$ 1,500
Pickup 1998 GMC	\$ 2,000	Air Tools Impact	\$ 200
Dump Truck F550	\$ 25,000	Air Tools Ratchet	\$ 80
Sewer Jetter	\$ 12,000	Air Tools Sockets	\$ 50
Holder	\$ 90,000	Portable Hoist 1/2 Ton	\$ 1,000
Grade All	\$ 31,000	Shop Hoist 2 Ton	\$ 1,800
Backhoe	\$ 44,000	Bearing Puller Set	\$ 1,500
Air Compressor Portable	\$ 5,000	Floor Jack and stands	\$ 250
John Deere Tractor	\$ 14,000	Arc Welder	\$ 500
Generator Portable 50KW	\$ 17,000	Set Torches	\$ 250
Generator Portable 40KW	\$ 15,000	Bench Grinder	\$ 100
Generator Portable 20KW	\$ 9,000	Hand Held Grinder	\$ 289
Riding Mower Ferris	\$ 14,000	Skill Saw	\$ 190
Riding Mower Husky	\$ 500	Drill 1/2"	\$ 126
Weedeaters	\$ 500	Drill Rotohammer	\$ 253
Pump Trash	\$ 600	Floke electrical Tester	\$ 2,000
Pump Muddsucker	\$ 1,200	Dell Computer	\$ 700
Push Mower	\$ 500	ph Meter	\$ 1,683
Tamper Plate	\$ 850	Timer	\$ 172
Tamper Jump n Jack	\$ 2,500	Magnetic Stir	\$ 500
Fall protection hoist	\$ 3,000	E moff Cones	\$ 66
Blower	\$ 400	Settle o meter	\$ 197
Gas Detector	\$ 1,200	Balance	\$ 3,000
Trench Box	\$ 3,400	Microwave	\$ 625
Tapping Machine plastic	\$ 1,500	Still	\$ 5,000
Tapping Machine iron	\$ 1,500	Incubator	\$ 4,000
Pipe Descaler	\$ 140	Refridgerator	\$ 500
Pipe Locator	\$ 800	Royce Meter	\$ 1,680
Cordless Drill 1/2	\$ 230	Sludge Judge	\$ 130
Cordless 1/2 impact driver	\$ 430	Oven	\$ 1,000
Cordless sawzall	\$ 389	Conductivity Meter	\$ 749
Demo Saw	\$ 1,000	Chlorine Colormeter	\$ 337
Chain Saws	\$ 800	Flowmeters	\$ 6,000
Shop Hand Tools	\$ 2,000	Fax Machine Printer	\$ 400
Subtotal	\$303,639	Subtotal	\$ 36,827
TOTAL			\$ 340,466



ATTACHMENT B – LIST OF INTERVIEWS

The following people were interviewed in relation to this study:

Carol Burns: Town of Waddington Town Clerk/ Tax Collector

Cheryl Dumas: Village of Waddington Clerk/ Tax Collector

Janet Otto-Cassada: Village of Waddington Mayor

Mark Scott: Town of Waddington Supervisor



ATTACHMENT C – IMPACT OF DISSOLUTION ON VILLAGE REVENUES

GENERAL FUND EST. REVENUES	Budget Amount	Transfer to Town	Nontransferable	Total
Real Property Taxes	\$ 155,853	\$ -	\$ 155,853	\$ 155,853
Interest & penalty on Real Property	\$ 1,200	\$ 1,200	\$ -	\$ 1,200
Non Property Tax - Dist. By County	\$ 145,000	\$ 145,000	\$ -	\$ 145,000
Utilities Gross Tax	\$ 15,000	\$ -	\$ 15,000	\$ 15,000
Interest on Savings	\$ 500	\$ 500	\$ -	\$ 500
NYPA Maintenance Fee	\$ 40,480	\$ 40,480	\$ -	\$ 40,480
Miscellaneous NYPA	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
Reimbursement Health Ins.	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
TOTAL	\$ 446,033	\$ 275,180	\$ 170,853	\$ 446,033

INTERGOVERNMENTAL CHARGES	Budget Amount	Transfer to Town	Nontransferable	Total
Fire Protections	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
Boat Mooring	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Permits	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
TOTAL	\$ 46,500	\$ 11,500	\$ 35,000	\$ 46,500

STATE AID	Budget Amount	Transfer to Town	Nontransferable	Total
State Per Capita	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Mortgage Tax	\$ 4,000	\$ 4,000	\$ -	\$ 4,000
Civic Center	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
State Aid Youth	\$ 500	\$ 500	\$ -	\$ 500
Highway Improvements (CHIPS)	\$ 22,000	\$ 22,000	\$ -	\$ 22,000
TOTAL	\$ 34,500	\$ 34,500	\$ -	\$ 34,500

Additional State Aid Upon Dissolution	
Village General Property Tax Levy	\$ 155,853
Town General Property Tax Levy	\$ 260,876
Bonus AIM Percentage	15%
Bonus AIM annual payment	\$ 62,509

