

Final Report on

Study of Feasibility and Impact of Village Dissolution Options and Scenarios

For the

Village of Keeseville, NY Dissolution Study

Submitted by

Fairweather Consulting &
Rondout Consulting

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Purpose of This Document

The Final Study of Feasibility and Impact of Village Dissolution Options and Scenarios is part of the Village Dissolution Study project for the Village of Keeseville, NY. This document builds on other study work products, including the Existing Conditions report provided to the Dissolution Study Committee in April 2012, with the intent to provide the Study Committee, residents and local officials with a better understanding of the village dissolution process and its potential impacts. The Final version presents revisions and additions based on the work of the Dissolution Study Committee, including the identification and analysis of alternatives to dissolution (Appendix A) and the development of a Draft Plan for Dissolution (Appendix B).

While this document examines the feasible options for handling a village dissolution, and the expected impacts of dissolution, it is not the intention of the Dissolution Study Committee (nor of its consultants) to imply that the village will be dissolved, or that it should be dissolved. As the term “study” implies, this document is informational in purpose. The document should be viewed as a resource for the Keeseville community to engage in an informed discussion and debate about the pros and cons of village dissolution, with a common understanding of the facts about the dissolution process generally, and the specific challenges, opportunities and impacts that dissolution would imply for residents of the Village of Keeseville, the Town of Ausable and the Town of Chesterfield.

Study Methodology

This study was developed by the Village of Keeseville’s Dissolution Study Committee, with technical assistance provided by a Fairweather Consulting and Rondout Consulting, the team that was selected by the Village Board to assist in the study process. The Dissolution Study Committee consists of volunteer members, appointed by the Village Board to study the feasibility and impact of the possible dissolution of the Village of Keeseville, and to provide to the Village Board a recommended plan, in the event that the community chooses to initiate dissolution proceedings.

<u>The Dissolution Study Committee</u>		
Bill Agoney <i>Local Resident</i>	Linda Guimond <i>Local Resident</i>	Julie Lattrell <i>Local Resident</i>
Maury Bresette <i>Local Resident</i>	Dale Holderman <i>Mayor, Keeseville</i>	Jerry Morrow <i>Supervisor, Chesterfield</i>
Butch Clodgo <i>Local Resident</i>	Mary King <i>Trustee, Keeseville</i>	Sandy Senecal <i>Supervisor, Ausable</i>

Figure 1 - The Dissolution Study Committee comprises nine volunteer representatives appointed by the Village Board.

The Fairweather/Rondout team has conducted numerous dissolution and restructuring studies for municipalities and not-for-profit clients throughout New York State and beyond. Based on this experience, the Fairweather/Rondout team has outlined a plan of study for the project, which has been adopted by the

Dissolution Study Committee. The study is further designed to meet strict requirements imposed by New York State law, as well as guidelines provided by the New York State Department of State, which provided funding for the study through its Local Government Efficiency Grant Program.

Based on the Fairweather/Rondout team's past experience, and with input from the Study Committee, the overall study methodology has been designed to include the following key activities:

1. Identify the municipalities, districts and organizations that would be affected if the Village of Keeseville was dissolved,
2. Collect data regarding the structure, services and budgets of the affected municipalities,
3. Create an inventory of services with estimated costs of providing services, and compare the services provided by each municipality,
4. Identify the range of possible options and scenarios to be studied,
5. Evaluate the impact and feasibility of each option and scenario,
6. Review the study findings with the Study Committee and gather public input,
7. Identify the preferred option for implementation IF the Village was dissolved.

Following the completion of these activities, the study process will continue by completing several important additional steps:

1. Identify and evaluate alternatives to dissolution
2. Develop a legal Dissolution Plan to accompany the results of the study
3. Present the final study, alternatives and Draft Dissolution Plan to the public for input and revision
4. Submit the revised final study, alternatives and Draft Dissolution Plan to the Village Board

The Dissolution Study Committee's role – and the Dissolution Study project itself – concludes with the submission of its work to the Village Board. Following this process, it is up to the Village's elected officials and residents whether the actual question of whether or not to dissolve the Village should be put to a vote.

Existing Conditions

In April 2012, the Fairweather/Rondout team presented its first workproduct to the Dissolution Study Committee. This document, titled the "Interim Report on Analysis of Existing Conditions, Municipal Structures and Services" serves as a baseline document for the main body of work that comprises the Dissolution Study. It describes the Fairweather/Rondout team's understanding of the situation in Keeseville, including the following key factors:

- The municipalities, districts and organizations that would likely be affected if the Village was dissolved
- A summary of the operating structure, staffing, assets and debts of the affected municipalities
- A current snapshot of municipal budgets and finances for the affected municipalities
- A description and comparison of the municipal services provided by the Village and the Towns of Ausable and Chesterfield

In the sections that follow, this study provides a summary of these existing conditions. Additional background information is available in the Existing Conditions report, which is available online at the Keeseville Dissolution Study web site (<http://keeseville.ning.com>).

Affected municipalities, districts and organizations

When a village dissolves, the impacts invariably spread to touch other municipalities, districts and organizations in and around the dissolved village. In New York State, villages are municipal corporations, which exist apart from, but are entirely contained within, the surrounding town(s). The result of this overlap is that the towns in which a dissolving village lies are certain to be affected by the dissolution. But towns often aren't the only ones affected. Libraries, special improvement districts, fire companies or districts, and even non-profit charities can feel the impact when a village dissolves.

For these reasons, it is important to start the dissolution study process by identifying just which organizations, districts and municipalities in the vicinity of the village might be affected if the village was dissolved. In Keeseville, our existing conditions report identified the following impacted entities:

- Local entities directly affected
 - Town of Ausable (and many of its special improvement districts)
 - Town of Chesterfield (and many of its special improvement districts)

Many local organizations would see varying indirect impacts, including changes in local funding, interactions or contracts with local officials/boards, etc. The impacts of dissolution on these organizations would be limited, however, and are not handled as extensively in the study process as the potential impacts on the two Towns.

- Local entities not directly affected
 - The Ausable Valley Central School District
 - Clinton County and Essex County
 - The Ausable-Chesterfield-Keeseville Joint Fire District
 - The Keeseville Free Library
 - The Anderson Falls Heritage Center, Senior Citizens Center, and Youth Program

Summary of municipal structures and services

In order to study the feasibility and potential impact of village dissolution, it's important to focus on the structures and services of the village and its surrounding towns. While New York State law requires additional information to be included in a dissolution study and plan, all of the required components revolve around one key question: how will municipal services be provided (and paid for) if the village dissolves?

Since the key question has to do with services, that's where the study process begins in earnest. Referring back to the Existing Conditions report completed in April 2012, the Fairweather/Rondout team has identified the services provided by the Village of Keeseville and the services provided in the Town of Ausable and the Town of Chesterfield. The Village and Town services were compared to identify whether each Village service is **redundant**, **equivalent** or **unique**. These terms are defined in the Existing Conditions report.

For each Village service, the Existing Conditions report also provided an estimated taxpayer cost for provision of the service. These estimates have been updated since the completion of that report, and are summarized in the table below.

Service Name	Comparison to Towns	Primary Department	Estimated Cost of Service
Elections	Redundant	Clerk	(\$2,354)
Human Resources Management	Equivalent	Clerk	(\$1,953)
Licenses and Permits	Equivalent	Clerk	(\$3,706)
Meeting Notices and Minutes	Equivalent	Clerk	(\$7,811)
Records Management	Equivalent	Clerk	(\$1,953)
Vital Statistics	Equivalent	Clerk	(\$1,753)
Subtotal - Clerk			(\$19,530)
Attorneys	Equivalent	Contractual	(\$4,816)
Audit	Unique	Contractual	(\$771)
Beautification	Equivalent	Contractual	(\$10,595)
Historian	Equivalent	Contractual	(\$2,889)
Library	Equivalent	Contractual	(\$9,150)
Senior Citizen Programs	Equivalent	Contractual	(\$4,527)
Street Lighting	Equivalent	Contractual	(\$26,969)
Youth Programs	Equivalent	Contractual	(\$20,969)
Subtotal - Contractual			(\$80,686)
Equipment Maintenance	Equivalent	Highway	(\$24,103)
Garbage Collection	Unique	Highway	(\$5,844)
Parks Maintenance and Operations	Equivalent	Highway	(\$17,802)
Snow Removal	Equivalent	Highway	(\$34,027)
Street Sweeping	Equivalent	Highway	(\$29,212)

Service Name	Comparison to Towns	Primary Department	Estimated Cost of Service
Streets/Highways Maint/Repairs	Equivalent	Highway	(\$30,330)
Subtotal - Highway			(\$141,319)
Budgeting	Equivalent	Mayor	(\$13,878)
General Gov't Administration	Equivalent	Mayor	(\$62,517)
Subtotal - Mayor			(\$76,396)
Sewer Administration	Unique	Sewer	\$729
Sewer Infrastructure Maintenance	Unique	Sewer	(\$1,034)
Sewer Plant Operations	Unique	Sewer	\$305
Subtotal - Sewer			\$0
AR/AP	Equivalent	Treasurer	(\$5,859)
Financial Management	Equivalent	Treasurer	(\$1,953)
Insurance Admin	Equivalent	Treasurer	(\$1,953)
Payroll	Equivalent	Treasurer	(\$5,859)
Tax Collection	Redundant	Treasurer	(\$3,906)
Subtotal - Treasurer			(\$19,529)
Governance/Legislation	Equivalent	Village Board	(\$29,550)
Subtotal - Village Board			(\$29,550)
Water Administration	Equivalent	Water	\$23,728
Water Infrastructure Maintenance	Equivalent	Water	(\$98,490)
Water Plant Operations	Equivalent	Water	\$74,762
Subtotal - Water			\$0
Debts and Liabilities	Unique	General Fund	(\$71,855)
Subtotal - Debts and Liabilities			(\$71,855)
Total - General Fund Services*			(\$438,865)
Total - Water Fund Services			\$0
Total - Sewer Fund Services			\$0
Grand Total All Services			(\$438,865)

* Total varies from 2011-12 budget due to unallocated Utilities tax receipts, which cannot be collected if the Village dissolves.

It is important to provide a brief explanation of the method for calculating these service cost estimates, in order to explain why they may seem to differ from figures presented in the Village's budget. While these service cost estimates are derived from the Village's 2011-2012 operating budget, they represent a different aggregation of budget figures than is presented in the budget. First, instead of grouping appropriations and revenues by department, our estimates group the budget items by service. Where a budget item crosses

multiple services, the budget item is allocated proportionally. Second, our estimates include certain budget items that are typically unallocated to any department. These appropriations (for example, insurance costs) are allocated proportionally to all of the services provided by the Village. Finally, our estimates are the net amount of appropriations less non-property tax revenues. This means that they can properly be considered the “total taxpayer cost” for each service provided by the Village.

For additional details regarding the calculation of estimated service costs, please refer to the Existing Conditions report on the Dissolution Study web site (<http://keeseville.ning.com>).

Dissolution Options and Scenarios

Overview of study options

Once the services are identified, it is much easier to determine how municipal services now provided by the Village would be handled if the Village was dissolved. Furthermore, the Existing Conditions report sets the stage for a thorough review of the impact of dissolution by estimating the current cost of Village services. In this way, the study can provide an analysis of several different ways to accomplish village dissolution, which should help residents and local officials understand the pros and cons of dissolution and determine whether there is a way to conduct a village dissolution that would result in an overall benefit to the community.

First, using the inventory of services provided by the Village, we can develop a series of **study options** to look at the many possibilities for continuing former-Village services after a potential dissolution. Within each study option, we define three important features of the option: 1) which services (if any) are discontinued, 2) of the services that continue, what’s the estimated future cost of those services, and 3) who bears the burden of the cost of former-Village services.

This Final Draft Dissolution Study report reviews the following options for village dissolution:

Option 1: Standard dissolution option

Option 2: Minimal special districts option

Option 3: Minimal districts, maximum savings

Second, once options are defined to account for the disposition of services, their future cost, and the allocation of that cost, we can craft **study scenarios** to examine several other variables, including increases or decreases in state aid or other non-property tax revenues and other areas of uncertainty. Since there is much about the future that is always uncertain, study scenarios provide a way to account for some of that uncertainty while still providing some answer to residents’ important questions about the potential impacts of dissolution.

This version of the Draft Dissolution Study report provides an analysis of each above option, with figures calculated for each of the following scenarios:

Scenario 1: Conservative scenario

Scenario 2: Worst case scenario

Scenario 3: Most likely scenario

The most likely scenario is the most important of the three, since it reflects the best estimate of the likely outcome of a possible dissolution. The remaining scenarios are intended to convey to residents and officials that there is some degree of uncertainty with regard to the impact of dissolution, and that in light of this uncertainty it is wise to understand the potential impacts if certain likely assumptions do not hold. The conservative scenario shows the potential impact of dissolution with only limited increases state aid from the new Citizens Empowerment Tax Credit program. The worst case scenario assumes no increases in state aid, and also that there is no reduction in annual debt service payments following the dissolution of the Village.

While much of the focus in a dissolution study is on the financial (or fiscal) impacts that dissolution could have on taxpayers, there are a host of other impacts that need to be considered, including the effect that dissolution would have on municipal employees, local laws and regulations, existing contracts and agreements, Village assets and equipment, and the Village's outstanding debts and liabilities. These areas of impact, which are often referred to as "nonfiscal" impacts (since they go beyond just dollars and cents), are examined later in this report and should be given equal attention when it comes to evaluating the pros and cons of dissolution and various alternatives to dissolution.

The remainder of this section, however, simply sets the stage by explaining the study options and scenarios reviewed and evaluated by the Dissolution Study Committee and its consultants.

Option 1: Standard dissolution option

The first option presented in this study is a generic one, based on the constraints and conditions set forth in New York State law. While the recent change in the law governing the dissolution process has changed some aspects of the standard option, there are some general assumptions that can be made about how a dissolution would impact services if no other plan for dissolution was in place.

Service disposition

Under Option 1, all non-redundant services provided by the Village of Keeseville would continue to be provided following the dissolution of the Village. Dissolution itself does not require the elimination of any services. Rather, General Municipal Law Article 17-A states that, in the event of dissolution, the Village's dissolution plan must specify "the manner and means by which the residents of the [Village] will continue to be furnished municipal services..." (NYS General Municipal Law, Article 17-A, Section 774 (2) (i)).

In the Village of Keeseville, the following services were identified in the Existing Conditions report as "redundant" services, or services that are provided by the Village and the Towns to the same residents or geographic areas.

- Elections
- Tax Collection

All remaining Village services would continue to be provided in some form following dissolution. For a complete list, see the Existing Conditions report or the list on pages 4-5 above. The sections below describe in greater detail how these services would be provided, and what the estimated future cost of these services would be.

Estimated future service costs

Perhaps one of the most difficult aspects of any dissolution study is determining how dissolution would affect the cost of municipal services that are transferred from the former-Village to the Towns. It is often assumed that the Towns would simply provide the former-Village services as part of their existing routines. However, the better assumption is that extra work entails an extra cost. Since all of the services that are continued are “non-redundant” services (see the section above), the effort of providing these services to Village residents is not likely to be free of cost to the Towns.

Under Option 1, this study assumes that the added cost of former-Village services that are transferred to the Towns is equal to the cost that the Village incurs now in providing the service. For example, if the Towns take over maintenance and snow removal on streets and roads formerly maintained by the Village Highway Department, that service would continue to cost the same amount of money that it cost before dissolution. Staff will still need to be available to do the work, supplies and equipment will need to be purchased, and contracts will be required to do certain projects related to street maintenance.

Note: one of the main reasons this study examines multiple options is the recognition that this assumption isn’t necessarily the best way to estimate future costs for former-Village services in the event the Village is dissolved. However, the Fairweather/Rondout team’s experience shows that this assumption can be an informative way to introduce residents to the complexities and challenges associated with estimating the true future costs of municipal services.

Estimated future budget by fund

Once we’ve established which former-Village services will continue and how much they are estimated to cost following their transfer to the Towns, the only remaining step is to determine how the service costs will be paid. The easy answer is “they will be paid through taxes,” but that oversimplifies the issue.

First, it is important to point out that certain former-Village services ARE NOT paid through taxes. The most obvious examples are Sewer and Water services, which are paid by users through their sewer and water bills. Under Option 1, the cost of Sewer and Water services would continue to be paid by users through water/sewer bills. More information is provided in the Fiscal Impact section on how dissolution would be expected to affect sewer and water rates.

Second, though the cost of most remaining services will be paid through residents’ property taxes, the real question is which residents will pay for the services. Since former-Village services will be provided by the Towns, and since Towns are authorized to utilize special improvement districts and other means to levy certain charges against a subset of property owners, there are a number of options available for allocating service costs to taxpayers.

Under Option 1, we assume that all former-Village services that are continued would be paid by taxpayers within the boundaries of the former-Village area. This assumption is based on language in General Municipal Law Article 17-A, which states that the Towns may levy the cost of any outstanding obligations to properties within the former-Village area (NYS General Municipal Law, Article 17-A, Section 790). In effect, this assumption would mean that all former-Village services become Town services provided through special districts with boundaries that are the same as the former-Village boundaries.

Having defined which services would be continued following dissolution, the estimated cost of those services, and the allocation of those costs to taxpayers, Option 1 represents a complete set of conditions that allows us to study its feasibility and its fiscal and nonfiscal impacts. The full evaluation of this dissolution option is provided below, in the Impact of Study Options and Scenarios and the Feasibility of Study Options sections.

Option 2: Minimal special districts option

While Option 1 represents a standard, cookie-cutter option for dissolution, it is unlikely that this generic option captures the best possible configuration in the event of a dissolution of the Village of Keeseville. Through conversations with the Dissolution Study Committee during its April 2012 meeting, the Fairweather/Rondout team began to identify alternate assumptions and conditions that could be assembled to compose other options for the study.

Option 2 is the first of these additional, locally-developed options to be defined and studied. In the simplest terms, this option reduces the reliance on special districts for the provision of certain former-Village services. By incorporating more of the former-Village services into the Towns' general operating budgets, it is expected that greater efficiencies and cost-savings could be achieved. This option also provides a clearer, more sustainable structure for service delivery within the Towns, since it doesn't require a general levy on the former-Village area and reduces the number of special districts that would be formed if the Village was dissolved.

Service disposition

Under Option 2, all redundant former-Village services are discontinued, including Elections and Tax Collection. In addition, through input from the Towns, it was determined by the Dissolution Study Committee that this option would also involve the elimination of municipal curbside garbage collection, which is now provided to residents of the Village who purchase garbage stickers. In place of this service, residents of the Village would be required to either contract with a private garbage hauling company or transport their garbage to one of the Town collection centers.

Estimated future service costs

Future service costs under Option 2 continue to be based on the estimated current costs of Village services. However, under Option 2, input from the Towns is taken into account and the estimated future costs are reduced from current cost estimates to reflect specific changes recommended by the Dissolution Study Committee.

The cost reductions are summarized in the following table. For each service, the table shows the estimated current cost of the service, the percent savings estimated by the Study Committee and the Fairweather/Rondout team, and the estimated future service cost.

Service Name	Estimated Current Cost	Estimated Cost Reduction	Estimated Future Cost
Elections	(\$2,354)	100%	\$0
Human Resources Management	(\$1,953)	20%	(\$1,562)
Licenses and Permits	(\$3,706)	20%	(\$2,965)
Meeting Notices and Minutes	(\$7,811)	80%	(\$1,562)
Records Management	(\$1,953)	20%	(\$1,562)
Vital Statistics	(\$1,753)	20%	(\$1,402)
Subtotal - Clerk	(\$19,530)	54%	(\$9,054)
Attorneys	(\$4,816)	80%	(\$963)
Audit	(\$771)	100%	\$0
Beautification	(\$10,595)	0%	(\$10,595)
Historian	(\$2,889)	0%	(\$2,889)
Library	(\$9,150)	0%	(\$9,150)
Senior Citizen Programs	(\$4,527)	0%	(\$4,527)
Street Lighting	(\$26,969)	0%	(\$26,969)
Youth Programs	(\$20,969)	0%	(\$20,969)
Subtotal - Contractual	(\$80,686)	6%	(\$76,062)
Equipment Maintenance	(\$24,103)	20%	(\$19,283)
Garbage Collection	(\$5,844)	100%	\$0
Parks Maintenance and Operations	(\$17,802)	20%	(\$14,242)
Snow Removal	(\$34,027)	20%	(\$27,222)
Street Sweeping	(\$29,212)	20%	(\$23,369)
Streets/Highways Maint/Repairs	(\$30,330)	20%	(\$24,264)
Subtotal - Highway	(\$141,319)	23%	(\$108,380)
Budgeting	(\$13,878)	80%	(\$2,776)
General Gov't Administration	(\$62,517)	80%	(\$12,503)
Subtotal - Mayor	(\$76,396)	80%	(\$15,279)
Sewer Administration	\$729	0%	\$729
Sewer Infrastructure Maintenance	(\$1,034)	0%	(\$1,034)
Sewer Plant Operations	\$305	0%	\$305
Subtotal - Sewer	\$0	0%	\$0
AR/AP	(\$5,859)	50%	(\$2,929)

Service Name	Estimated Current Cost	Estimated Cost Reduction	Estimated Future Cost
Financial Management	(\$1,953)	50%	(\$976)
Insurance Admin	(\$1,953)	50%	(\$976)
Payroll	(\$5,859)	80%	(\$1,172)
Tax Collection	(\$3,906)	100%	\$0
Subtotal - Treasurer	(\$19,529)	69%	(\$6,054)
Governance/Legislation	(\$29,550)	80%	(\$5,910)
Subtotal - Village Board	(\$29,550)	80%	(\$5,910)
Water Administration	\$23,728	0%	\$23,728
Water Infrastructure Maintenance	(\$98,490)	0%	(\$98,490)
Water Plant Operations	\$74,762	0%	\$74,762
Subtotal - Water	\$0	0%	\$0
Debts and Liabilities	(\$71,855)	0%	(\$71,855)
Subtotal - Debts and Liabilities	(\$71,855)	0%	(\$71,855)
Total - General Fund Services*	(\$438,865)	33%	(\$292,595)
Total - Water Fund Services	\$0	0%	\$0
Total - Sewer Fund Services	\$0	0%	\$0
Grand Total All Services	(\$438,865)	33%	(\$292,595)

Estimated future budget by fund

Option 1 involved little in the way of reallocation of municipal services costs, since the cost of all continued services under that option would be allocated as a levy against properties in the former-Village area. Option 2, however, incorporates a number of former-Village services into the Towns' townwide budgets, as well as some existing and new special district funds.

The following table summarizes the current and future estimated budget by fund for each Town under Option 2.

Municipality Name	Fund Name	Assessed Value	Current Cost Svcs	Future Cost of Services
Village of Keeseville	General Fund	\$ 55,048,598	\$ (438,865)	\$ -
Village of Keeseville	Water Fund	\$ -	\$ (0)	\$ (0)
Village of Keeseville	Sewer Fund	\$ -	\$ 0	\$ 0
Village of Keeseville	Loan Program	\$ -		\$ -
Town of Chesterfield	General Fund	\$ 217,970,443	\$ (492,942)	\$ (548,727)
Town of Chesterfield	General Outside Village	\$ 193,309,409	\$ (33,023)	\$ -
Town of Chesterfield	Highway-Townwide	\$ 217,970,443	\$ (287,740)	\$ (617,085)
Town of Chesterfield	Highway- Outside Village	\$ 193,309,409	\$ (285,100)	\$ -
Town of Ausable	General	\$ 132,591,468	\$ (444,385)	\$ (511,808)
Town of Ausable	Gen B.	\$ 104,359,477	\$ (33,833)	\$ -
Town of Ausable	Highway DA	\$ 132,591,468	\$ (298,741)	\$ (525,237)
Town of Ausable	Highway DB	\$ 104,359,477	\$ (176,603)	\$ -
Town of Chesterfield	Former Village Special Districts	\$ 25,666,056	\$ -	\$ (39,693)
Town of Ausable	Former Village Special Districts	\$ 29,382,542	\$ -	\$ (44,760)
			\$ (2,491,232)	\$ (2,287,310)

Figure 2 - Option 2 estimated current and future cost of services.

Later in this study, we will use these fund budgets to estimate the impact of this option on tax rates and typical tax bills.

Option 3: Minimal special districts, maximum savings option (DSC preferred option)

At its monthly meeting in May 2012, the Fairweather/Rondout team presented Options 1 and 2 to the Dissolution Study Committee and to residents during a public meeting. Input from the DSC and from residents at the public meeting suggested the creation of a new, third option. This third option is similar to Option 2 in terms of the disposition of redundant, equivalent and unique services, but assumes that the Towns of Chesterfield and Ausable would incur very little (if any) new costs as a result of continuing former-Village services.

Service disposition

Under Option 3, all redundant former-Village services are discontinued, including Elections and Tax Collection. In addition, through input from the Towns, it was determined by the Dissolution Study Committee that this option would also involve the elimination of municipal curb-side garbage collection, which is now provided to residents of the Village who purchase garbage stickers. In place of this service, residents of the Village would be required to either contract with a private garbage hauling company or transport their garbage to one of the Town collection centers. All expenses related to ongoing maintenance of former-Village parks has been allocated entirely to the Town of Chesterfield under Option 3, based on input from the DSC.

Estimated future service costs

Future service costs under Option 3 are based on input from the Town representatives on the DSC. These estimates are taken as presented, and do not necessarily represent the Fairweather/Rondout team’s judgement of the future cost of services.

For each service, the table shows the estimated current cost of the service, the percent savings estimated by the Study Committee and the Fairweather/Rondout team, and the estimated future service cost.

Service Name	Estimated Current Cost	Estimated Cost Reduction	Estimated Future Cost
Elections	(\$2,354)	100%	\$0
Human Resources Management	(\$1,953)	100%	\$0
Licenses and Permits	(\$3,706)	100%	\$0
Meeting Notices and Minutes	(\$7,811)	100%	\$0
Records Management	(\$1,953)	100%	\$0
Vital Statistics	(\$1,753)	80%	(\$186)
Subtotal - Clerk	(\$19,530)	99%	(\$186)
Attorneys	(\$4,816)	100%	\$0
Audit	(\$771)	100%	\$0
Beautification	(\$10,595)	0%	(\$10,595)
Historian	(\$2,889)	0%	(\$2,889)
Library	(\$9,150)	0%	(\$9,150)
Senior Citizen Programs	(\$4,527)	0%	(\$4,527)
Street Lighting	(\$26,969)	0%	(\$26,969)
Youth Programs	(\$20,969)	0%	(\$20,969)
Subtotal - Contractual	(\$80,686)	7%	(\$75,099)
Equipment Maintenance	(\$24,103)	20%	(\$19,283)
Garbage Collection	(\$5,844)	100%	\$0
Parks Maintenance and Operations	(\$17,802)	20%	(\$14,242)
Snow Removal	(\$34,027)	20%	(\$27,222)
Street Sweeping	(\$29,212)	20%	(\$23,369)
Streets/Highways Maint/Repairs	(\$30,330)	20%	(\$24,264)
Subtotal - Highway	(\$141,319)	23%	(\$108,380)
Budgeting	(\$13,878)	100%	\$0
General Gov't Administration	(\$62,517)	80%	(\$12,503)
Subtotal - Mayor	(\$76,396)	100%	(\$12,503)
Sewer Administration	\$729	0%	\$729
Sewer Infrastructure Maintenance	(\$1,034)	0%	(\$1,034)

Service Name	Estimated Current Cost	Estimated Cost Reduction	Estimated Future Cost
Sewer Plant Operations	\$305	0%	\$305
Subtotal - Sewer	\$0	0%	\$0
AR/AP	(\$5,859)	100%	\$0
Financial Management	(\$1,953)	100%	\$0
Insurance Admin	(\$1,953)	100%	\$0
Payroll	(\$5,859)	100%	\$0
Tax Collection	(\$3,906)	100%	\$0
Subtotal - Treasurer	(\$19,529)	100%	\$0
Governance/Legislation	(\$29,550)	100%	\$0
Subtotal - Village Board	(\$29,550)	100%	\$0
Water Administration	\$23,728	0%	\$23,728
Water Infrastructure Maintenance	(\$98,490)	0%	(\$98,490)
Water Plant Operations	\$74,762	0%	\$74,762
Subtotal - Water	\$0	0%	\$0
Debts and Liabilities	(\$71,855)	0%	(\$71,855)
Subtotal - Debts and Liabilities	(\$71,855)	0%	(\$71,855)
Total - General Fund Services*	(\$438,865)	42%	(\$255,520)
Total - Water Fund Services	\$0	0%	\$0
Total - Sewer Fund Services	\$0	0%	\$0
Grand Total All Services	(\$438,865)	42%	(\$255,520)

Estimated future budget by fund

The following table summarizes the current and future estimated budget by fund for each Town under Option 3.

Municipality Name	Fund Name	Assessed Value	Current Cost Svcs	Future Cost of Services
Village of Keeseville	General Fund	\$ 55,048,598	\$ (438,865)	\$ -
Village of Keeseville	Water Fund	\$ -	\$ (0)	\$ (0)
Village of Keeseville	Sewer Fund	\$ -	\$ 0	\$ 0
Village of Keeseville	Loan Program	\$ -		\$ -
Town of Chesterfield	General Fund	\$ 217,970,443	\$ (492,942)	\$ (557,315)
Town of Chesterfield	General Outside Village	\$ 193,309,409	\$ (33,023)	\$ -
Town of Chesterfield	Highway-Townwide	\$ 217,970,443	\$ (287,740)	\$ (617,085)
Town of Chesterfield	Highway- Outside Village	\$ 193,309,409	\$ (285,100)	\$ -
Town of Ausable	General	\$ 132,591,468	\$ (444,385)	\$ (506,175)
Town of Ausable	Gen B.	\$ 104,359,477	\$ (33,833)	\$ -
Town of Ausable	Highway DA	\$ 132,591,468	\$ (298,741)	\$ (525,237)
Town of Ausable	Highway DB	\$ 104,359,477	\$ (176,603)	\$ -
Town of Chesterfield	Former Village Special Districts	\$ 25,666,056	\$ -	\$ (27,017)
Town of Ausable	Former Village Special Districts	\$ 29,382,542	\$ -	\$ (30,467)
			\$ (2,491,232)	\$ (2,263,297)

Figure 3 - Option 3 estimated current and future cost of services.

Later in this study, we will use these fund budgets to estimate the impact of this option on tax rates and typical tax bills.

Study Scenarios

In this version of the Draft Dissolution Study report, the variables defined for each scenario include the following:

1. Dollar amount of new State Aid (e.g. Citizens Empowerment Tax Credits)
2. Dollar amount of reduction in annual debt payments due to sale of assets

As described earlier, the most likely scenario presents the analysis of impact of dissolution under a set of assumptions deemed to be most likely to occur. This includes the award of Citizens Empowerment Tax Credits as currently offered in the 2012 NYS budget, and involves a 50% reduction in the Village’s current debt service payments. The Fairweather/Rondout team finds it valuable to present a more conservative analysis to ensure that the communities we work with avoid overestimating the benefits of such an important, long-term decision as dissolution. Finally, the worst case scenario provides an alternative set of outcomes under the assumption that the values for the variables are worse than expected.

The following table provides the values for each variable used under each scenario for this version of the study.

Variable Values by Scenario			
Variable	Conservative	Most Likely	Worst Case
Change in State Aid	Increase by 1.5% of combined Town/Village levy	Increase by 11% of combined Town/Village levy	No increase
Change in Debt/Liability Payment	Proceeds from sale of assets results in 20% decrease in annual payment	Proceeds from sale of assets results in 50% decrease in annual payment	No decrease

These variables are figured into the fiscal impact analysis of each study option in the following sections of this report.

Impact of Study Options and Scenarios

Fiscal impacts

Village dissolution often has significant impacts on the financial situation within the affected municipalities. By now, it should be clear that the fiscal impacts of dissolution are a result of decisions made regarding the disposition of services, the changes in the cost of services, and reallocation of service costs among the taxpayers of the two remaining Towns.

In this section, we start by examining the impact that each study option is expected to have on the assets and debts of the former-Village and on the availability of certain non-property tax revenue sources. Later, we put all of the pieces together to describe how each option and scenario would be expected to affect the budgets and tax rates of the Towns and the cumulative effect these changes would have on taxpayers in each jurisdiction.

Impacts on assets and debts

Under all options defined in this version of the Draft Dissolution Study, all Village assets required for the provision of continuing services would be transferred to the Towns. In the Dissolution Plan these assets are identified and their future use and conditions for their future resale or transfer are specified. It is anticipated that each asset would be transferred to the town responsible for providing the former-Village service for which the asset was purchased. If both Towns will be responsible for providing a portion of the former-Village service, the Towns will be responsible for determining the most effective division of former-Village assets, which may include the sale of the asset and purchase of similar assets that better meet the Towns' needs.

Any assets that are identified by the Towns and the Village as un-needed after dissolution would be sold or liquidated, if possible, with proceeds from the sale dedicated to reducing the outstanding debts and liabilities of the Village.

Impacts on non-property tax revenue sources

The operating budget of the Village of Keeseville includes revenues from a number of non-property tax sources. Each source may be affected differently by the dissolution of the Village, though the impacts to each

source are likely to be the same under all study options. The potential impacts on these revenue sources are described below.

- Sales taxes (for Essex County portion only) – According to Town officials, the 2011 allocation to the Village will continue in the form of increases in the Town of Chesterfield’s receipts. In 2011, the Village allocation was \$6,000. In all three scenarios, the Village’s revenue from Sales Tax receipts is added to the Town of Chesterfield general fund revenues.
- Mortgage taxes – the 2011 allocation is based on mortgages recorded in the Village area. This amount is likely to remain constant, though it would be split between the two Towns. Our fiscal models assume that the amount is split proportionally, based on the assessed value of each Town (47% to the Town of Chesterfield, 53% to the Town of Ausable).
- Franchises – like mortgage taxes, this revenue is likely to be unchanged by village dissolution. The amount is split proportionally, based on the assessed value of each Town.
- Gross Utilities Receipts Taxes – these taxes are collected now by the Village, but Towns are not authorized under New York State law to collect taxes on utilities. As a result, it is anticipated that this revenue source would be eliminated if the Village was dissolved. In 2011, the Village budget for the Utility Tax was \$20,000.
- Service Fees – Service fees are derived from the activity of the municipality. These fees will continue to be collected so long as the service continues to be offered. In the case of Sewer and Water, the fees would be collected through districts following village dissolution.
- State Aid – State aid allocations are notoriously difficult to predict, except that they are likely to decline in the future. However, municipalities that successfully implement a full consolidation or dissolution are eligible to receive special incentive funding under the new Citizens Empowerment Tax Credit program. While this program can provide a windfall for communities that consolidate, it is subject to re-authorization each year, and as such is not as certain as other revenue sources. Therefore, our models show the potential impact of this funding under each of the three study scenarios. In the conservative case, we assume a small increase in State Aid as a result of village dissolution (1.5% of the total combined tax levy of each municipality). In the worst-case, we assume that the Towns receive no additional State Aid if the Village is dissolved. In the most likely scenario, we assume that the Citizens Empowerment Tax Credit program continues in its current form, and that the Towns receive the full allocation based on current formulas (15% of total combined tax levy, with at least 70% of that amount used to reduce taxes).
- Grants – the Village of Keeseville has been the recipient of grant funding from a number of sources in the past. In some cases, previously-awarded grants and eligibility for future awards can be affected by village dissolution. The following sections describe key grants received by the Village and the impact that dissolution would have on these funding sources.

The Village of Keeseville has benefited from two sources of funds from this source. Below is a description of those sources and how they would be affected by dissolution:

- ***New York State Department of Housing and Community Renewal Community Development Block Grant for Housing Rehabilitation:*** In 2009, the Village of Keeseville received a housing rehabilitation grant. The funds have been fully expended. NYSDHCR needs only to close out the record-keeping with the grant in consultation with the Village and the developer. The grant is expected to be closed out within a year.
- ***New York Main Street program:*** New York State Department of Housing and Community Renewal has awarded a Main Street grant to the Adirondack Architectural Heritage to support the revitalization of Keeseville's main street. While the grant focuses on a geographic target area, the target area is not affected by the presence or absence of Village government. Also, since the grant has been awarded to AAH and not the Village, it will not be affected by village dissolution.

In general, eligibility for grants offered through the Department of Housing and Community Renewal that originate with the federal Department of Housing and Urban Development is determined by the demographic characteristics (e.g., median household income) of the geographic area to be served by the grant. Thus, after dissolution, the Town of Chesterfield could apply for HUD funds for the portion of the former Village of Keeseville that is within its jurisdiction by referring to the 2010 Census data for the census tracts in Chesterfield that correspond to the former village area. Note: the applicant would need to establish that the area to be served is coterminous with the census tracts. If so, then the census data can be used in the application. If the area to be served by the grant is not coterminous with the census tracts used, the application is at risk of being deemed ineligible. In such a case, an income survey would need to be conducted on the service area to establish that it would be eligible for funding.

Alternatively, the Town of Chesterfield or the Town of Ausable could apply jointly for funding for a project that served the entire former village area, using the 2010 Census data for the Village to establish eligibility when a joint effort is required to solve a common water or sewer problem faced by the two towns in the former village areas, a joint application may be submitted. The two towns would have to be able to demonstrate that a joint effort is required to solve the problem. A cooperation agreement between the local governments would have to be included as an attachment to the application. Joint applications submitted only for administrative convenience are not eligible and will not be considered for funding.

Other Grant or Loan Programs

In the past, the Village has received support through the NYS Environmental Facilities Corporation (EFC) and the Federal Emergency Management Administration (FEMA). These programs would continue to be available through the Towns in the event the Village is dissolved.

Impacts on operating budgets and tax rates

The cumulative effect of the options, scenarios and other factors described above on municipal budgets and tax rates are not self-evident. Though residents may each have an opinion about whether village dissolution would result in savings or cost increases, the facts regarding budget and tax impacts can be difficult to discover.

However, by defining study options and scenarios, the Draft Dissolution Study permits a closer look at how village dissolution could be expected to affect the overall fiscal situation in the Towns.

First and foremost, the impacts of the disposition of services and the estimated future cost of services can be used to determine whether any of the dissolution study options is expected to result in an overall decrease or increase in the total budget of the affected municipalities. This answers the simple question: “would dissolution reduce the total cost of local government?” The following table shows how each option and scenario is expected to affect the total cost of local government in Keeseville (including the budgets of all affected districts). This analysis answers an important question, but there are others worth answering. For example, “how would dissolution affect the budget of each municipality and each fund within each municipality?” The table on the left on the next page shows the impact of each option and scenario on the budget for each fund in each municipality.

With a better understanding of the change in the total levy by fund, the next question has to do with the impact these fund-level levy changes would have on tax rates. The table on the right on the next page shows the change in tax rate by fund for each option and scenario.

Cost of Services Before and After Dissolution by Option and Scenario												
Municipality Name	Fund Name	Option 1			Option 2			Option 3				
		Future Cost of Services			Future Cost of Services			Future Cost of Services				
		Conservative	Most Likely	Worst Case	Conservative	Most Likely	Worst Case	Conservative	Most Likely	Worst Case		
	Current Cost Svcs											
Village of Keeseville	General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Village of Keeseville	Water Fund	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Village of Keeseville	Sewer Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town of Chesterfield	General Fund	(\$503,310)	(\$357,509)	(\$528,785)	(\$548,727)	(\$404,336)	(\$572,792)	(\$557,315)	(\$412,924)	(\$581,380)	(\$557,315)	(\$412,924)
Town of Chesterfield	General Outside Village	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town of Chesterfield	Highway - Townwide	(\$572,840)	(\$572,840)	(\$572,840)	(\$617,085)	(\$617,085)	(\$617,085)	(\$617,085)	(\$617,085)	(\$617,085)	(\$617,085)	(\$617,085)
Town of Chesterfield	Highway - Outside Village	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town of Ausable	General	(\$460,593)	(\$343,711)	(\$481,398)	(\$511,808)	(\$396,516)	(\$531,023)	(\$506,175)	(\$390,326)	(\$524,833)	(\$506,175)	(\$390,326)
Town of Ausable	Gen B.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town of Ausable	Highway DA	(\$475,344)	(\$475,344)	(\$475,344)	(\$525,237)	(\$525,237)	(\$525,237)	(\$525,237)	(\$525,237)	(\$525,237)	(\$525,237)	(\$525,237)
Town of Ausable	Highway DB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town of Chesterfield	Former Village Special Districts	(\$193,823)	(\$183,692)	(\$200,578)	(\$39,693)	(\$29,561)	(\$46,447)	(\$27,017)	(\$16,886)	(\$33,772)	(\$27,017)	(\$16,886)
Town of Ausable	Former Village Special Districts	(\$218,567)	(\$207,142)	(\$226,183)	(\$44,760)	(\$33,355)	(\$52,377)	(\$30,467)	(\$19,042)	(\$38,083)	(\$30,467)	(\$19,042)
Total Cost		(\$2,491,232)	(\$2,140,238)	(\$2,485,128)	(\$2,287,310)	(\$2,006,071)	(\$2,344,962)	(\$2,263,297)	(\$1,981,500)	(\$2,320,391)	(\$2,263,297)	(\$1,981,500)

Change in Tax Rate by Fund by Option and Scenario													
Municipality Name	Fund Name	Option 1			Option 2			Option 3					
		Conservative	Most Likely	Worst Case	Conservative	Most Likely	Worst Case	Conservative	Most Likely	Worst Case			
		Change in Tax Rate	% Change	Change in Tax Rate	% Change	Change in Tax Rate	% Change	Change in Tax Rate	% Change	Change in Tax Rate	% Change		
Village of Keeseville	General Fund	(\$7.50)	-100%	Undefined	(\$7.50)	-100%	Undefined	(\$7.50)	-100%	Undefined	(\$7.50)	-100%	
Village of Keeseville	Water Fund	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	
Village of Keeseville	Sewer Fund	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	Undefined	\$0.00	
Town of Chesterfield	General Fund	\$0.05	2%	(\$0.62)	-27%	\$0.16	7%	\$0.26	11%	(\$0.41)	-18%	\$0.37	16%
Town of Chesterfield	General Outside Village	(\$0.17)	-100%	(\$0.17)	-100%	(\$0.17)	-100%	(\$0.17)	-100%	(\$0.17)	-100%	(\$0.17)	-100%
Town of Chesterfield	Highway - Townwide	\$1.31	99%	\$1.31	99%	\$1.31	99%	\$1.51	114%	\$1.51	114%	\$1.51	114%
Town of Chesterfield	Highway - Outside Village	(\$1.47)	-100%	(\$1.47)	-100%	(\$1.47)	-100%	(\$1.47)	-100%	(\$1.47)	-100%	(\$1.47)	-100%
Town of Ausable	General	\$0.12	4%	(\$0.76)	-23%	\$0.28	8%	\$0.51	15%	(\$0.36)	-11%	\$0.65	19%
Town of Ausable	Gen B.	(\$0.32)	-100%	(\$0.32)	-100%	(\$0.32)	-100%	(\$0.32)	-100%	(\$0.32)	-100%	(\$0.32)	-100%
Town of Ausable	Highway DA	\$1.33	59%	\$1.33	59%	\$1.33	59%	\$1.71	76%	\$1.71	76%	\$1.71	76%
Town of Ausable	Highway DB	(\$1.69)	-100%	(\$1.69)	-100%	(\$1.69)	-100%	(\$1.69)	-100%	(\$1.69)	-100%	(\$1.69)	-100%
Town of Chesterfield	Former Village Special Districts	\$7.55	Undefined	(\$7.16)	Undefined	(\$7.81)	Undefined	\$1.55	Undefined	(\$1.15)	Undefined	\$1.81	Undefined
Town of Ausable	Former Village Special Districts	\$7.44	Undefined	\$7.05	Undefined	\$7.70	Undefined	\$1.52	Undefined	\$1.13	Undefined	\$1.78	Undefined

Finally, changes in tax rates are useful insofar as they give residents a way to determine how dissolution can be expected to affect their own tax bill. By combining various rates for various municipalities and funds, we can calculate the percent change in the total tax bill for taxpayers throughout the Keeseville community, including taxpayers in the Town of Ausable, both in and outside the Village, and taxpayers in the Town of Chesterfield, both in and outside the Village. Much more information on the impact of dissolution on tax rates and municipal fees is included the Draft Dissolution Plan (see Appendix B).

Change in Combined Rate and Tax Bill by Taxpayer Type for Option 1												
Taxpayer Type	Option 1											
	Conservative				Most Likely				Worst Case			
	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*
Village (Ausable portion)	\$13.10	\$14.50	11%	\$139.28	\$13.10	\$13.23	1%	\$12.25	\$13.10	\$14.91	14%	\$180.90
Village (Chesterfield portion)	\$11.08	\$12.49	13%	\$140.73	\$11.08	\$11.43	3%	\$34.36	\$11.08	\$12.87	16%	\$178.73
Ausable (Outside Village)	\$7.62	\$7.06	-7%	-\$56.23	\$7.62	\$6.18	-19%	-\$144.38	\$7.62	\$7.22	-5%	-\$40.54
Chesterfield (Outside Village)	\$5.23	\$4.94	-6%	-\$29.01	\$5.23	\$4.27	-18%	-\$95.90	\$5.23	\$5.05	-3%	-\$17.33

* Change in Village and Town Tax Bill is based on assessed value of \$100,000

Change in Combined Rate and Tax Bill by Taxpayer Type for Option 2												
Taxpayer Type	Option 2											
	Conservative				Most Likely				Worst Case			
	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*
Village (Ausable portion)	\$13.10	\$9.34	-29%	-\$375.99	\$13.10	\$8.09	-38%	-\$501.83	\$13.10	\$9.75	-26%	-\$335.58
Village (Chesterfield portion)	\$11.08	\$6.89	-38%	-\$418.66	\$11.08	\$5.84	-47%	-\$524.38	\$11.08	\$7.27	-34%	-\$381.30
Ausable (Outside Village)	\$7.62	\$7.82	3%	\$20.03	\$7.62	\$6.95	-9%	-\$66.92	\$7.62	\$7.97	5%	\$34.52
Chesterfield (Outside Village)	\$5.23	\$5.35	2%	\$12.12	\$5.23	\$4.69	-10%	-\$54.12	\$5.23	\$5.46	4%	\$23.16

* Change in Village and Town Tax Bill is based on assessed value of \$100,000

Change in Combined Rate and Tax Bill by Taxpayer Type for Option 3												
Taxpayer Type	Option 3											
	Conservative				Most Likely				Worst Case			
	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*	Current Combined Rate	Future Combined Rate	% Change	Change in Village & Town Tax Bill*
Village (Ausable portion)	\$13.10	\$8.82	-34%	-\$439.67	\$13.10	\$7.55	-42%	-\$555.14	\$13.10	\$9.22	-30%	-\$399.67
Village (Chesterfield portion)	\$11.08	\$6.44	-41%	-\$457.55	\$11.08	\$5.38	-51%	-\$569.82	\$11.08	\$6.81	-38%	-\$420.19
Ausable (Outside Village)	\$7.62	\$7.78	1%	\$5.00	\$7.62	\$6.91	-9%	-\$71.59	\$7.62	\$7.92	3%	\$19.07
Chesterfield (Outside Village)	\$5.23	\$5.39	4%	\$22.62	\$5.23	\$4.73	-10%	-\$50.18	\$5.23	\$5.50	6%	\$33.66

* Change in Village and Town Tax Bill is based on assessed value of \$100,000

Depending on the assessed value of each property, the changes in the cumulative tax rates will have varying impacts on taxpayers' actual bills. The following table shows a range of property values and the expected dollar change in total Village/Town combined taxes at that value for the most-likely scenario under each of the two study options.

Change in Village & Town Tax Bill by Assessed Value for Most-Likely Scenario

Assessed Value	Most Likely											
	Option 1				Option 2				Option 3			
	Village (Ausable portion)	Village (Chesterfield portion)	Ausable (Outside Village)	Chesterfield (Outside Village)	Village (Ausable portion)	Village (Chesterfield portion)	Ausable (Outside Village)	Chesterfield (Outside Village)	Village (Ausable portion)	Village (Chesterfield portion)	Ausable (Outside Village)	Chesterfield (Outside Village)
\$30,000	\$3.67	\$10.31	-\$43.31	-\$28.77	-\$150.55	-\$157.31	-\$20.08	-\$16.24	-\$166.54	-\$170.95	-\$21.48	-\$15.05
\$40,000	\$4.90	\$13.74	-\$57.75	-\$38.36	-\$200.73	-\$209.75	-\$26.77	-\$21.65	-\$222.06	-\$227.93	-\$28.64	-\$20.07
\$50,000	\$6.12	\$17.18	-\$72.19	-\$47.95	-\$250.91	-\$262.19	-\$33.46	-\$27.06	-\$277.57	-\$284.91	-\$35.80	-\$25.09
\$60,000	\$7.35	\$20.62	-\$86.63	-\$57.54	-\$301.10	-\$314.63	-\$40.15	-\$32.47	-\$333.09	-\$341.89	-\$42.96	-\$30.11
\$70,000	\$8.57	\$24.05	-\$101.07	-\$67.13	-\$351.28	-\$367.07	-\$46.85	-\$37.88	-\$388.60	-\$398.88	-\$50.12	-\$35.13
\$80,000	\$9.80	\$27.49	-\$115.50	-\$76.72	-\$401.46	-\$419.50	-\$53.54	-\$43.30	-\$444.11	-\$455.86	-\$57.27	-\$40.14
\$90,000	\$11.02	\$30.93	-\$129.94	-\$86.31	-\$451.65	-\$471.94	-\$60.23	-\$48.71	-\$499.63	-\$512.84	-\$64.43	-\$45.16
\$100,000	\$12.25	\$34.36	-\$144.38	-\$95.90	-\$501.83	-\$524.38	-\$66.92	-\$54.12	-\$555.14	-\$569.82	-\$71.59	-\$50.18
\$110,000	\$13.47	\$37.80	-\$158.82	-\$105.49	-\$552.01	-\$576.82	-\$73.62	-\$59.53	-\$610.66	-\$626.81	-\$78.75	-\$55.20
\$120,000	\$14.70	\$41.23	-\$173.26	-\$115.08	-\$602.19	-\$629.25	-\$80.31	-\$64.95	-\$666.17	-\$683.79	-\$85.91	-\$60.22
\$130,000	\$15.92	\$44.67	-\$187.69	-\$124.67	-\$652.38	-\$681.69	-\$87.00	-\$70.36	-\$721.69	-\$740.77	-\$93.07	-\$65.24
\$140,000	\$17.15	\$48.11	-\$202.13	-\$134.26	-\$702.56	-\$734.13	-\$93.69	-\$75.77	-\$777.20	-\$797.75	-\$100.23	-\$70.25
\$150,000	\$18.37	\$51.54	-\$216.57	-\$143.85	-\$752.74	-\$786.57	-\$100.39	-\$81.18	-\$832.71	-\$854.74	-\$107.39	-\$75.27
\$175,000	\$21.43	\$60.13	-\$252.66	-\$167.83	-\$878.20	-\$917.66	-\$117.12	-\$94.71	-\$971.50	-\$997.19	-\$125.29	-\$87.82
\$200,000	\$24.49	\$68.72	-\$288.76	-\$191.81	-\$1,003.66	-\$1,048.76	-\$133.85	-\$108.24	-\$1,110.29	-\$1,139.65	-\$143.19	-\$100.36
\$250,000	\$30.62	\$85.91	-\$360.95	-\$239.76	-\$1,254.57	-\$1,310.95	-\$167.31	-\$135.30	-\$1,387.86	-\$1,424.56	-\$178.98	-\$125.45
\$300,000	\$36.74	\$103.09	-\$433.14	-\$287.71	-\$1,505.49	-\$1,573.14	-\$200.77	-\$162.36	-\$1,665.43	-\$1,709.47	-\$214.78	-\$150.54

Figure 4 - Estimated Increase(+)/Decrease(-) in Combined Village/Town Tax Bills by Option/Scenario and Assessed Value

Impacts on sewer, water and other user fees

While the tables above provide a complete picture of the impact that dissolution would be expected to have on taxes, taxes are only part of the picture. Water, sewer, and garbage are three services that are currently paid by Village residents through user fees, not taxes. The impact of dissolution on these fees must be considered in addition to the impact on taxes.

- **Water and Sewer Rates** – Currently, the Village charges different rates for water and sewer users on the Village system who are inside the Village and users who are outside the Village. If the Village is dissolved and Sewer and Water services are assumed by either of the Towns (or through any other means), it is unlikely that the differential rate would continue. Instead, all users on the main system would pay the same rate. Based on consumption figures for the period starting June 2011 and ending March 2012, the table below shows the average annual consumption by municipality, the effective rate, and the total revenue by municipality.

Water and Sewer Usage, Rates and Revenues by Municipality									
Period	Village of Keeseville Users			Ausable (Outside) Users			Chesterfield (Outside) Users		
	Usage	Charges	Effective Rate per 1,000 gallons	Usage	Charges	Effective Rate per 1,000 gallons	Usage	Charges	Effective Rate per 1,000 gallons
Sewer									
Q2 2011	11,112,410	\$52,811.32	\$4.75	54,710	\$702.65	\$12.84	164,200	\$1,452.10	\$8.84
Q3 2011	12,883,715	\$59,469.20	\$4.62	117,590	\$1,063.12	\$9.04	151,700	\$1,413.05	\$9.31
Q4 2011	10,756,670	\$51,189.12	\$4.76	75,800	\$782.80	\$10.33	128,890	\$1,211.45	\$9.40
Q1 2012	10,465,520	\$49,300.80	\$4.71	69,770	\$784.00	\$11.24	177,800	\$1,633.85	\$9.19
Total Sewer	45,218,315	\$212,770.44	\$4.71	317,870	\$3,332.57	\$10.48	622,590	\$5,710.45	\$9.17
Water									
Q2 2011	11,169,560	\$58,222.58	\$5.21	1,516,500	\$18,234.45	\$12.02	2,126,430	\$23,577.14	\$11.09
Q3 2011	12,961,295	\$64,621.12	\$4.99	1,991,480	\$21,621.46	\$10.86	2,744,400	\$27,925.08	\$10.18
Q4 2011	10,800,600	\$56,726.36	\$5.25	1,497,680	\$18,192.40	\$12.15	2,018,740	\$22,321.01	\$11.06
Q1 2012	10,511,370	\$55,326.15	\$5.26	1,467,290	\$18,050.17	\$12.30	2,127,760	\$23,010.33	\$10.81
Total Water	45,442,825	\$234,896.21	\$5.17	6,472,950	\$76,098.48	\$11.76	9,017,330	\$96,833.56	\$10.74

Based on these figures, the estimated rates for water and sewer if the Village is dissolved would be \$6.69 per thousand gallons and \$4.81 per thousand gallons respectively. For the average user inside the Village, this would translate to an estimated \$98 increase in the annual charge for water and sewer. For the average user outside the Village, the result would be a decrease of over \$500 in the annual charge for water and sewer.

- Garbage Charges** – Currently, Village residents pay for their garbage collection through the purchase of stickers. In fact, our analysis suggests that the revenue from sticker sales does not cover the entire cost of the municipal garbage collection service. In addition, approximately \$5,400 of property tax revenues are allocated to this service. Under Option 1, the current situation would continue with the collection of garbage by the Towns. Under Option 2, municipal curbside garbage collection would be discontinued, thereby eliminating both the cost to users of garbage stickers and to taxpayers of the additional revenues required to cover the cost of municipal garbage collection. However, residents who still require garbage pick-up would need to contract with a private hauler, at an estimated monthly cost of \$40, or \$480 per year for weekly pickup or \$30 per month or \$360 per year for bi-weekly pickup.

Based on comments from Village officials and the public, the Fairweather/Rondout team performed additional analyses to determine the combined effect of property tax decreases and municipal fee increases on residents whose property is assessed at a low value, and whose current consumption of municipal services differs from the typical household.

This analysis is important since it reveals that not all Village residents are likely to see savings as a result of Village Dissolution. For the vast majority of residents – including those whose property has an assessed value

greater than \$65,000 or who currently purchase more than 1 garbage sticker per week from the Village (or who do not use the Village’s garbage collection service) – the increases in sewer, water and garbage fees associated with Village Dissolution are fully offset by decreases in combined Town/Village property taxes.

However, as the tables below show, some residents with very low assessed values or who use only one garbage sticker per week and opt to hire a private hauler in the event of dissolution could see increases in municipal fees that are not fully offset by reductions in property taxes.

Expected Yearly Savings/(Increase) in Taxes AND Municipal Fees													
For Village Residents in the Ausable Part of Keeseville							For Village Residents in the Chesterfield Part of Keeseville						
	Column A	Column B	Column C	Column D	Column E	Column F		Column A	Column B	Column C	Column D	Column E	Column F
	# of Garbage Stickers Per Week					\$0.00		# of Garbage Stickers Per Week					\$0.00
	\$343.00	1	2	3	0	CETC*		\$382.00	1	2	3	0	CETC*
Taxable Assessed Value of Property	\$30,000.00	(\$166.00)	(\$70.00)	\$26.00	\$38.00	\$30.30		\$30,000.00	(\$155.00)	(\$59.00)	\$37.00	\$49.00	\$23.10
	\$40,000.00	(\$121.00)	(\$25.00)	\$71.00	\$83.00	\$40.40		\$40,000.00	(\$105.00)	(\$9.00)	\$87.00	\$99.00	\$30.80
	\$45,000.00	(\$98.00)	(\$2.00)	\$94.00	\$106.00	\$45.45		\$45,000.00	(\$81.00)	\$15.00	\$111.00	\$123.00	\$34.65
	\$50,000.00	(\$76.00)	\$20.00	\$116.00	\$128.00	\$50.50		\$50,000.00	(\$56.00)	\$40.00	\$136.00	\$148.00	\$38.50
	\$55,000.00	(\$53.00)	\$43.00	\$139.00	\$151.00	\$55.55		\$55,000.00	(\$32.00)	\$64.00	\$160.00	\$172.00	\$42.35
	\$60,000.00	(\$30.00)	\$66.00	\$162.00	\$174.00	\$60.60		\$60,000.00	(\$7.00)	\$89.00	\$185.00	\$197.00	\$46.20
	\$65,000.00	(\$8.00)	\$88.00	\$184.00	\$196.00	\$65.65		\$65,000.00	\$18.00	\$114.00	\$210.00	\$222.00	\$50.05
	\$70,000.00	\$15.00	\$111.00	\$207.00	\$219.00	\$70.70		\$70,000.00	\$42.00	\$138.00	\$234.00	\$246.00	\$53.90
	\$75,000.00	\$38.00	\$134.00	\$230.00	\$242.00	\$75.75		\$75,000.00	\$67.00	\$163.00	\$259.00	\$271.00	\$57.75
	\$80,000.00	\$60.00	\$156.00	\$252.00	\$264.00	\$80.80		\$80,000.00	\$91.00	\$187.00	\$283.00	\$295.00	\$61.60
\$85,000.00	\$83.00	\$179.00	\$275.00	\$287.00	\$85.85		\$85,000.00	\$116.00	\$212.00	\$308.00	\$320.00	\$65.45	
\$90,000.00	\$106.00	\$202.00	\$298.00	\$310.00	\$90.90		\$90,000.00	\$141.00	\$237.00	\$333.00	\$345.00	\$69.30	
\$95,000.00	\$128.00	\$224.00	\$320.00	\$332.00	\$95.95		\$95,000.00	\$165.00	\$261.00	\$357.00	\$369.00	\$73.15	
\$100,000.00	\$151.00	\$247.00	\$343.00	\$355.00	\$101.00		\$100,000.00	\$190.00	\$286.00	\$382.00	\$394.00	\$77.00	
	Less than 5% of non-vacant residential properties have an assessed value < \$30k							Less than 5% of non-vacant residential properties have an assessed value < \$30k					
	\$75,000 = Avg Taxable Assessed Value in Ausable Part of Village							\$69,000 = Avg Taxable Assessed Value in Chesterfield Part of Village					
	\$90,000 = Average Sale Price for Recent Home Sales in Keeseville							\$90,000 = Average Sale Price for Recent Home Sales in Keeseville					

INSTRUCTIONS: Find the amount in Column A that most closely matches the Taxable Assessed Value of your property (check your most recent property tax bill or contact your Town Assessor if you do not know your property’s assessed value). Next, choose the column B through E that represents your current typical weekly use of Village garbage stickers. Then choose the cell where your Taxable Assessed Value and your typical weekly garbage stickers meet. The amount in this cell represents your expected savings (or increase, if the amount is in parentheses) if the Village dissolves.

*The figures above do NOT include any tax savings from Citizens Empowerment Tax Credits that may be available following dissolution. In the Ausable part of the Village, these credits are expected to be \$1.01 per \$1000 of taxable assessed value. In the Chesterfield part of the Village, these credits are expected to be \$0.77 per \$1000 of taxable assessed value. To calculate your savings WITH the CETC, simply add the number you get using the instructions above to the number in Column F for the row representing your property’s assessed value.

Nonfiscal impacts

The financial effects of village dissolution are complex, but through careful analysis they can be examined with a reliable degree of precision. The above sections describe the estimated fiscal impact of each of the study options and scenarios presented in this version of the Draft Dissolution Study.

While fiscal impacts are often cited as important considerations, the Fairweather/Rondout team’s experience shows that non-fiscal impacts often have a more profound impact on public perceptions about the topic of dissolution.

Impacts on staff

Perhaps the most important non-fiscal impact is the impact that dissolution has on the workforce of the Village. While the effect varies according to the disposition of services defined for each study option, the fact remains that some Village employees are likely to lose their job as a result of dissolution. This is only avoided if there is a shared commitment by the Towns to retain all Village staff, but in doing so, the Towns are likely to require tax increases to support their increased personnel costs.

Under all options, all current Village positions would be eliminated upon dissolution of the Village. Depending on the study option, however, new positions may be required within the Towns' workforce. This raises the possibility of transferring current Village employees to the Towns to fill a newly-created position within the Town. This arrangement would be contingent on a number of factors yet to be determined, including the willingness of the Towns to commit to additional staff positions, employment conditions of the Towns, and Civil Service requirements.

Option 1, which involves the continuation of all non-redundant Village services at a cost equal to the current Village budget, provides the maximum available resources to add new Town positions (and possibly retain current Village employees). Under this option, the following new Town positions would be established:

- New Town of Ausable Positions Established (Option 1)
 - Sewer Operator (1 FTE)
 - Sewer Clerk (0.5 FTE)
 - Sewer Laborer (0.5 FTE)
 - Deputy Town Clerk (1 FTE)
 - Highway Equipment Operator (1.5 FTE)
 - Seasonal Laborer (1 PT seasonal)

- New Town of Chesterfield Positions Established (Option 1)
 - Water Operator (1 FTE)
 - Water Clerk (0.5 FTE)
 - Water Laborer (0.5 FTE)
 - Deputy Town Clerk (1 FTE)
 - Highway Foreman (1 FTE)
 - Highway Equipment Operator (1 FTE)

The cost of these positions is included in the estimated future cost of services for Option 1. Specific arrangements including the municipality in which each position is created, the title of each position, the salary and benefits and others would be established by the Towns and may be included in either the final Dissolution Plan or an Intermunicipal Agreement between the Towns and the Village.

Option 2 involves more significant staffing cutbacks. Under this option, the following new Town positions would be established to provide the former-Village services that are continued.

- New Town of Ausable Positions Established (Option 2)
 - Sewer Operator (1 FTE)
 - Sewer Clerk (0.5 FTE)
 - Sewer Laborer (0.5 FTE)
 - Deputy Town Clerk (0.5 FTE)
 - Highway Equipment Operator (0.5 FTE)
 - Seasonal Laborer (1 seasonal)

- New Town of Chesterfield Positions Established (Option 2)
 - Water Operator (1 FTE)
 - Water Clerk (0.5 FTE)
 - Water Laborer (0.5 FTE)
 - Deputy Town Clerk (0.5 FTE)
 - Highway Equipment Operator (1 FTE)

The cost of these positions is included in the estimated future cost of services for Option 2. As with Option 1, the details regarding the creation of these positions would be established through the final Dissolution Plan or an Intermunicipal Agreement between the Towns and the Village.

Under Option 3, there is little funding left to cover additional personnel for either Town, with the exception of the Sewer and Water services. Under this option, only the following new positions would be established within the Towns.

- New Town of Ausable Positions Established (Option 3)
 - Sewer Operator

- Sewer Clerk
- Sewer Laborer (0.5 FTE)
- Seasonal Laborer
- New Town of Chesterfield Positions Established (Option 3)
 - Water Operator
 - Water Clerk
 - Water Laborer
 - Highway Equipment Operator

Beyond the obvious impact of staff reductions, another impact on staff is the continuation of existing post-employment benefits. Any existing obligations of the Village would be assumed by the Towns if the Village is dissolved, with the cost of these obligations levied as a charge to taxpayers in the former-Village area. In practice, this means that retirees who are receiving benefits from the Village would continue to receive those benefits following dissolution. However, any employees who are terminated would no longer be eligible for future benefits from the Village, even if they are transferred and become employees of one of the Towns.

Impacts on laws

General Municipal Law Article 17-A provides that all Village Laws effective at dissolution would continue to be enforced by the Towns for a period of two years following the dissolution (NYS General Municipal Law Article 17-A, Section 789). At the discretion of the Town Boards, these laws can be modified or repealed at any time, or they may be adopted as Town Laws that would continue beyond the standard two-year period.

Of note are the existing zoning ordinances in effect in the Village. Currently, the Town of Ausable has no zoning regulations, and as a result, the Town Board would need to establish a Zoning Board of Appeals in order to enforce the Village's zoning ordinance if the Village is dissolved. The alternative – repealing the Village's zoning ordinance so that the Town of Ausable does not need to enforce those laws – is not recommended, since the land use patterns in the Village area appear to call for zoning regulations. Instead, the Fairweather/Rondout team recommends that the Town of Ausable establish its own zoning ordinance in accordance with its recent Comprehensive Plan, and that efforts be taken later, if the Village dissolves, to reconcile the Village and Town ordinances.

Impacts on contracts/agreements

A number of contracts and agreements would be affected by village dissolution. Most important among these are contracts between the Village and other municipalities or organizations. The Village currently provides a number of services through contractual arrangements, including its annual independent audit, beautification, the Library, senior citizen's programming, youth programming, and street lighting. If the Village dissolves, these contracts should be reviewed and amended as necessary, possibly to include one or both of the Towns as party to the agreement in place of the Village.

These changes imply a certain financial commitment, as well. In each of the study options presented in this version of the Draft Dissolution Study, we have continued all of the Village's current contractual services by shifting the costs of those services either to the Towns' townwide budget or one or more special district budgets. For example, Village taxpayers pay an annual net levy for the library in the amount of approximately \$9,000. If the Village is dissolved, this amount would continue to be paid through a contract with each Town, where the total amount would equal the current service cost. Under Options 1, 2 and 3 this amount would be paid through increases in the Town general budget.

Feasibility of Study Options

Once study options are defined, each must be evaluated to ensure that it complies with a complicated array of State laws governing the dissolution process and that it presents a workable operating model for the Towns. An important aspect of this feasibility assessment is the determination of whether there are complicated steps or challenges required in order to implement each option. This information will be useful when a preferred option is identified later in the study process, since it will contribute to a more valuable comparison among the various options for dissolution.

Legal feasibility

The legal feasibility of each study option involves two types of assessment: first, is the option legally permitted as an action of the Village and/or the Towns; and second, what is the estimated level of effort or cost associated with implementing the option from a legal standpoint. Steps such as annexation, referenda, development of intermunicipal agreements, etc all entail a cost when it comes to legal support, and these costs must be figured into the final assessment of the pros and cons of each option and the alternatives to dissolution.

Legal Issues Related to Disposition of Services

Option 1 is the standard option, which follows the requirements of General Municipal Law 17-A for the dissolution process. As such, the question of legal permissibility is relatively easy to establish. The option involves the transfer of several former-Village services to the Towns, which is permitted as part of a village dissolution. Further, the option provides a detailed account of the disposition of former-Village services in the form of estimated future costs and the method of collection of the levy necessary to pay these costs. Specifically, Option 1 states that all non-redundant former-Village services will be transferred to the Towns, that the cost of those services is estimated to be equal to the current cost, and that the former-Village properties will be levied a charge sufficient to cover those costs.

Option 2 would result in the establishment of at least two new Town special improvement districts within each Town: one for Street Lighting in the former Village area and one for Sidewalk Maintenance in the former Village area. For these services and others, it is likely that the Towns would need to establish new Intermunicipal Agreements to ensure that the services are provided efficiently and effectively to all former-Village residents.

Like Option 2, Option 3 involves the creation of special districts. In this case, besides Sewer and Water, the only additional special district included in the study is a Sidewalk Maintenance district. Street lighting costs are included in the Town of Chesterfield's general budget under Option 3, if the Village dissolves.

The most significant legal challenge in the continuation of former-Village services under any option is related to the Sewer and Water services. These services may be handled in a variety of ways, but all available methods will entail some new form of district structure. One option is the creation of new special improvement districts for each service in each Town. Another option would be to merge the former-Village area into an existing Sewer or Water district of the Town, if one exists. Finally, the provision of Sewer and Water services to current users of the Village system could be accomplished through the creation of a Joint Water/Sewer District or Authority.

Legal Issues Related to Disposition of Assets/Debts

As detailed in the previous section, disposition of assets and debts under each option is designed to align with the disposition of services. That is, as the services go, so go the assets and debts. In both options, this means that the Village's assets and outstanding debts (as of the date of dissolution) would be assumed by the Towns. The assets would be utilized for the provision of former-Village services. Payments required to satisfy outstanding debts would be levied against the properties within the former-Village area.

To enable this disposition of assets/debts, the final Dissolution Plan must provide detailed instructions as to which of the two Towns will acquire each of the Village's assets and debts. Additionally, the final Dissolution Plan should specify the mechanisms that will be used by the Towns to collect the levy for outstanding debts, and how that collection will be used to make actual debt service payments. For instance, the plan may specify that the Town of Chesterfield will assume all non-Sewer debts of the former Village. To pay the ongoing costs associated with these debts, the Towns will adopt an intermunicipal agreement, which will define the percentage share of each debt for which each Town's former-Village residents will be responsible. When it comes time to collect the required levy, the Town of Chesterfield would collect its portion directly for former-Village residents within the Town of Chesterfield. The Town of Ausable would collect its portion directly for former-Village residents within the Town of Ausable, and would then make a transfer payment to the Town of Chesterfield in the amount of the Town of Ausable's agreed portion of the total debt payment.

Legal Issues Related to Disposition of Staff

The outcome of dissolution with regard to staff of the Village depends also on the disposition of services. For services that are continued following dissolution, it is anticipated that current Village staff required to perform those services would be transferred to the Towns in order to continue providing those services. In keeping with Civil Service law, this entails a transfer of function, and requires certain conditions to be met by the Towns. If the Towns elect to transfer certain employees, the matter should be reviewed by the Town's attorney to determine whether any conditions apply that would prevent or alter the transfer.

Operational feasibility

From an operational standpoint, each option must be evaluated to determine whether it would allow the Towns sufficient resources, materials and legal instruments to perform the services that are required if the Village was dissolved.

Option 1 would maintain a high level of resources for the provision of former-Village services by the Towns, since the current cost of Village services is assumed to be the future cost of those services after dissolution. The operational challenges under Option 1 are related to the complex service delivery structure that this option entails. All non-redundant former Village services are continued through the equivalent of special districts, which means that the staff, equipment, debts and other resources required to deliver those services are maintained through separate funds, with separate budgets and will separate levies. This is an inefficient operating model, which is likely to place a burden on the Town's administrative and legislative functions.

Option 2 reduces the complexity involved with ongoing provision of former-Village services by the Towns. First of all, the garbage collection service – a service not currently provided by either Town – is eliminated, which avoids the need to incorporate this new service into the Towns' existing structures. Furthermore, many former-Village services are provided through funds from the Towns' townwide general or highway budgets. This allows those services to be integrated with the Towns' existing service delivery, legislative and administrative structures. Operationally, the fewer special districts the simpler and more efficient the delivery of services is likely to be.

Option 3 closely follows Option 2, with additional plans to reduce the expense of Village services. These reductions raise the risk that service levels currently enjoyed by Village residents could be altered (e.g. longer wait for responses to records requests, less frequent street sweeping, etc.). Town representatives on the Dissolution Study Committee have approved these cost reductions, though and anticipate in all areas to be able to maintain or improve service levels, even at these greatly reduced costs.

Managing the Water/Sewer System Following Dissolution/Consolidation

Under New York State's General Municipal Law Article 5B, municipalities are authorized to enter into agreements to jointly provide for water supply. The structure of such agreements varies from those established as joint districts operated by both municipalities to those operated by separate authorities that report to the affected municipalities. Section 113 of 5B states "The joint water works system may be managed and operated by a joint operating agency, by one of the contracting municipalities or by contract with a public authority as the contracting municipalities shall provide. A contract with a public authority shall provide for periodic reports of operations to the participating municipalities."

Examples of such systems range from the joint water board through which the villages of Schuylerville and Victory operate a water system in the Town of Saratoga, to more ambitious inter-county projects, one of the most prominent being the Monroe County water authority, which by contract provides water to communities in Genesee and Ontario counties.

Part of the dissolution process would therefore involve deciding upon an appropriate management structure for the water/sewer system and including those recommendations in the dissolution plan and resolution.

During the Dissolution Study, the Fairweather/Rondout team provided several examples of agreements and related instruments used in other communities to implement a consolidated, joint water or sewer system. These are offered as resources for the Dissolution Study Committee and the Keeseville Village Board to consider in evaluating the best course of action for the continued provision of Sewer and Water services in the event the Village is dissolved.

The options for provision of Sewer and Water services are as follows:

1. One municipality furnishes each service for its own residents connected to the system and for the residents of the other municipality who are connected to the system. This option would require an intermunicipal agreement to define the procedure for metering, charging/billing and collecting water or sewer rents, the roles/responsibilities of each municipality with regard to system maintenance and upgrades, and the procedures for resolving conflicts or grievances.
2. The two municipalities form a “joint commission,” governed by an appointed board of commissioners, which acts as a quasi-independent entity to furnish sewer and/or water services for the connected users in both municipalities. A joint commission does not have authority to levy taxes or issue bonds, but rather would rely on the municipalities for these functions. Other functions, such as operations of the sewer/water plant, maintenance of infrastructure, billing, etc, would all be defined and delegated in the enabling agreement, either to the commission or to one of the municipalities. This option would require a more detailed intermunicipal agreement or agreement of municipal cooperation (see Southern Cayuga Lake Intermunicipal Water Commission agreement) to define the governance structure, operating parameters, municipal roles and responsibilities, allocation of assets and debts, procedures for addition of users and metering, charging/billing and collecting rents, etc.
3. The two municipalities could apply to the legislature to form an intermunicipal water/sewer authority, which would be a separate corporate entity governed by an appointed board of directors. If consistent with its public benefit purpose, the authority may be permitted to levy taxes or issue tax-exempt bonds without approval of the municipalities. Any debts incurred by the authority would not be subject to the municipalities’ constitutional debt limits. This option would require an act of the legislature to approve the creation of the authority, and thereafter, would require bylaws and policies to govern its structure and ongoing operations.

Conclusions and Next Steps

This Final Dissolution Study is one step in the completion of the Keeseville Dissolution Study project. In some cases, the report may raise more questions than it answers. The Dissolution Study Committee and the Fairweather/Rondout have encouraged public input in order to determine which issues and challenges revealed by the study would receive the most attention in the development and evaluation of alternatives to dissolution and the creation of a Dissolution Plan.

The results of this additional work completed by the DSC is contained in the remaining study materials appended to this study document, which include the following:

- Appendix A: Alternatives to Dissolution
- Appendix B: Draft Plan for Village Dissolution (provided as a separate file)
- Appendix C: Inventory of Village Laws and Ordinances

- Appendix D: Letter from the Village’s Bond Counsel Regarding Disposition of Debts
- Appendix E: Flowchart of Next Steps in the Dissolution Process
- Appendix F: Log of Questions, Comments and Responses from DSC Public Meetings

Appendix A: Alternatives to Dissolution

This appendix presents and discusses several alternatives to dissolution. Alternatives are options available to Keeseville, Chesterfield and Ausable that could, theoretically, be more effective means for achieving the goals of greater efficiency and quality of service, but do not involve the dissolution of the Village of Keeseville. This appendix discusses five alternatives to dissolution, including:

- Consolidation of the Village and Towns through GML 17-A
- Consolidation of the Village and Portions of the Towns through Creation of a City
- Consolidation of the Village and Portions of the Towns through Creation of a Coterminous Town/Village
- Additional Shared Services and Functional Consolidations
- No Action

Consolidation of the Village of Keeseville into Chesterfield and Ausable

In New York State, villages are incorporated through New York State Village Law as an act of voters within the village area. Since these voters create the village and sustain the village during its existence, it is these voters alone who can choose to dissolve the village.

Village dissolutions are typically accomplished according to the provisions of General Municipal Law 17-A, which describes the process of studying and planning for dissolution, and for holding the vote that determines whether the village will be dissolved. Though this process includes steps and requirements that encourage cooperation between the village and its underlying Town (the two towns of Ausable and Chesterfield in this case) in identifying the impacts of dissolution and determining the appropriate means of providing necessary local government services following dissolution, these steps often fail to encourage the level of shared planning necessary to bring about a mutually-beneficial consolidation. Village dissolution is a unilateral act of village voters, and this fact makes it difficult for town and village officials to agree on the best means of achieving a successful consolidation.

Note: the introduction of new consolidation procedures afforded by General Municipal Law 17-A makes it possible to achieve many of the outcomes typical of village dissolutions through a new approach that involves bi-lateral planning and ratification by residents of both the Village and Towns, making the traditional village dissolution approach to consolidation unnecessary.

Through a municipal consolidation, it would appear that the Village of Keeseville could be consolidated into the two surrounding towns, through the creation and adoption by voters in all three municipalities of a joint consolidation agreement. This agreement could be crafted to reflect any number of various strategies for transferring services, assets and debts, etc, and so is not likely to achieve substantially different results than the typical dissolution process. It is noteworthy, however, since it presents a method for achieving those results that requires the vote of all affected residents, in the Village and the two surrounding Towns.

Merger by Establishment of a City of Keeseville

Cities in New York State are stand-alone local governments that are not required to have an underlying Town government. Due to this structural difference, many villages perceive the establishment of a city as an effective means for consolidating town and village government into a single municipal structure. While this option is appealing for a number of reasons, not least of which is the broader authority to impose local taxes afforded to cities, the procedure for establishing a new city in New York State would appear to eliminate this option in all but the most extreme cases.

Unlike villages, cities gain their status and authority as local government entities through a city charter. The only body with the power to grant cities the charter required for their establishment is the New York State legislature. In practice, the Legislature has not established a city in the State since 1942, when the City of Rye was established.

Two additional conditions detract from the appeal of the city structure as an option for local government consolidation. First, while cities have authority to retain a portion of sales tax receipts on sales within the city limits—a fact that often weighs in favor of the city option in local conversations on restructuring—this authority has broad political implications that often pit local advocates against other interests at the county or regional level. While county support is not an official precondition of the Legislature’s establishment of a city, the political calculus suggests that city pre-emption of sales taxes would be perceived as undermining a county’s ability to raise its own revenue, and that this fact could establish a detrimental conflict on the matter between local proponents and county-level officials in both Essex and Clinton counties.

Finally, if the preceding reasons do not fully eliminate the city option from consideration, one remaining factor often does. In New York State, routine maintenance and repair of State roads and highways is provided through the State Department of Transportation, except within the limits of a city. In Keeseville, the establishment of a city would add new lane-miles of heavily-traveled roadways to the responsibility of the Highway/Streets departments, potentially generating new costs that would be passed on through property taxes on the city residents.

Merger by Establishment of a Coterminous Town/Village between Keeseville and one of the Two Towns

Article 17 of New York State Village Law identifies a hybrid town-village municipal structure often referred to as a coterminous town/village. This name is meant to distinguish this structure, where the legal entity of the village and the town both survive the consolidation, from other structures where only one legal entity survives the consolidation. In some ways, as the name implies, this option is not a true consolidation, since both entities continue to exist. However, the resulting structure may be considered a consolidated municipality since it operates under the authority of a single governing board.

Unlike the other options, where consolidation of the municipal structures implies the consolidation of most municipal services provided under each of the current structures, the coterminous town/village option provides greater flexibility. While the consolidation of governing authority is a necessary step in the creation of a true coterminous town/village, service delivery following consolidation of the municipalities may be handled differently, based on the preferred configuration of area residents. Existing town special improvement districts may be consolidated or eliminated, but alternatively they may continue to exist, limiting the extent to which

consolidation re-allocates service costs among residents of the consolidated municipality. New special improvement districts may be formed to cover the former area of the village, in order to provide for the maintenance, operation and functioning of important improvements in that area and further limiting the re-allocation of costs resulting from consolidation.

The fact that Keeseville straddles Essex and Clinton counties makes the coterminous option difficult to implement. It would have to be determined with which of the two towns Keeseville would become coterminous, Ausable in Clinton County or Chesterfield in Essex County. Once that decision is made, the portion of the Village outside of the town selected would have to be annexed into the corresponding county. For example, if Keeseville were to become coterminous with the Town of Ausable, the portion of the Village in the Town of Chesterfield would have to be annexed into Clinton County (and into Ausable) in order to become coterminous with Ausable. Similarly, if Keeseville were to become coterminous with Chesterfield, that portion of the Village in Ausable would have to be annexed into Essex county (and into the Town of Chesterfield).

Article 17 of the General Municipal Law of New York State covers the process of annexation as allowed under the provisions of the Bill of Rights of Local Governments New York State Constitution, Article 9 §1(d). Annexation must be initiated by a petition filed by the residents of the properties that are to be annexed into the town under question. For example, if the portion of Keeseville that is in Ausable (and Clinton County) were to be annexed into Essex County and Chesterfield, a petition would have to be circulated among the residents or property owners in the portion of Keeseville that is in the Town of Ausable and Clinton County. According to the New York State Department of State, this would involve the following process:

A petition for annexation must describe the territory, state the approximate number of inhabitants, and be signed by at least twenty percent of the residents or by the owners of a majority in assessed valuation of the real property in such territory. The petition must be authenticated as to all the signatures and presented to the governing board or boards of the affected local government in which such territory is situated. A certified copy of such petition would be presented to the governing board(s) of the local government(s) that would annex such territory (General Municipal Law §703).

New York State Department of State, *Consolidation, Dissolution and Annexation of Towns and Villages, How To Guide*, February 12, 2008, page 17.

Once the petition is received by the affected governments, they must then hold a joint public hearing on the proposed annexation, following certain requirements for public notice and notice of the owners of the properties to be affected by annexation.

Within ninety days after the hearing, the governing board of each affected local government shall determine by a majority vote whether the petition complies with the provisions of Article 17 and whether it is in the overall public interest to approve such annexation. At such time, each governing board shall adopt a resolution that includes findings with respect to compliance of the petition with the provisions of Article 17 and with respect to the effect of such proposed annexation on the overall public interest. Each board shall then make and sign a written order containing its determination and file copies together with copies of an agreement, if any, the petition, the notice, the written objections, if any, and testimony and minutes of proceedings taken and kept on the hearing, in the offices of the clerks of all the affected local governments. If a governing board does not make, sign,

and file a written order, then the governing board shall be deemed to have approved the proposed annexation at the expiration of the ninety day period.

New York State Department of State, *Consolidation, Dissolution and Annexation of Towns and Villages, How To Guide*, February 12, 2008, page 19.

If a governing board of one of the involved municipalities decides that it is not in the public interest to approve the proposed annexation, the governing board of any of the other involved municipalities can appeal to the Appellate Division of the Supreme Court for a determination on whether the annexation is in the overall public interest.

Once the determination has been made that the annexation is in the public interest, the municipalities have 90 days in which to hold special elections to determine whether or not the proposed annexation shall take place.

Following all of this, if the annexation is approved, then the Village of Keeseville can initiate the process to become a coterminous town/village with the newly configured town that would now include the properties annexed into it from the other town and county.

Additional Shared Services or Functional Consolidation

The previous alternatives share one element in common with Village Dissolution – they each entail a full consolidation of municipal functions of the Village and the Towns. In these cases, the full consolidation is enabled by a structural reorganization of local government, from which follows a consolidation of services and functions of the involved municipalities. In a sense, these alternatives – like Village Dissolution – are all “big-bang” approaches to consolidation, wherein all services and functions are consolidated through an organizational merger.

An alternative to this full consolidation approach is the identification of individual services and functions that may generate savings or increase efficiencies through shared services arrangements or functional consolidations. This approach is not new to Keeseville, Ausable and Chesterfield. In fact, in light of the significant functional and service consolidation already completed in the Keeseville area, there are few remaining opportunities for this particular approach.

The following services have already been consolidated in the Keeseville area, in most cases with one or both of the Towns providing the service as part of the Townwide budget and to all residents of the Town.

- Justice Courts
- Property Assessment
- Code Enforcement
- Dog Control

In addition, community services such as the Library, Senior Citizens services, Youth Programs, the Historian and others have already been consolidated through contracts with separate not-for-profit organizations, which provide services to the three municipalities.

Our analysis suggests that the areas where further consolidation of services and functions remains possible are limited to Streets Maintenance, Snow Removal, and back-office administrative functions (including Permits, Licenses, Records Management, etc.).

Streets Maintenance and Snow Removal

Based on the results of the Dissolution Study, it would appear that the two Towns are prepared to perform necessary street repairs and seasonal maintenance, including snow removal and street sweeping, at a cost 20% lower than the current cost for Village operations. This potential cost reduction is attributed to economies of scale gained by the consolidation of equivalent functions across the Village and the Towns. Town staff in the Highway Departments would see increased workloads and some increased costs, but those costs would likely be less than the current costs of the Village for the same services.

The estimated savings from consolidation of streets-related services is approximately \$24,000 per year. The effect on municipal budgets is complicated, however. Today, the two Towns maintain separate budgets and funds for Highway services provided to the residents outside of the Village of Keeseville. While consolidation of the Village's streets-related functions could generate a savings of \$24,000, a further and potentially more significant impact would come from a reallocation of highway-related costs to include all Town taxpayers.

The steps involved in determining the impact this change would have on taxpayers are as follows: first, remove all streets-related budget items from the Village's budget. Next, add the expected Town cost for performing those former-Village services to the Town's budgets. We assume that the two Towns would take on those costs in proportion to their share of the Village's total taxable assessed value (53% Ausable, 47% Chesterfield). Then, once these new costs are added to the Towns' current highway outside (DB) budgets, those budgets are folded into the Towns' highway townwide (DA) budgets.

The table below shows the expected change in tax rates from this action.

Municipality Name	Fund Name	Effective Tax Rate	Future Tax Rate	Change in Tax Rate
Village of Keeseville	General Fund	\$ 7.50	\$ 5.83	\$ (1.67)
Village of Keeseville	Water Fund	\$ -	\$ -	\$ -
Village of Keeseville	Sewer Fund	\$ -	\$ -	\$ -
Village of Keeseville	Loan Program	\$ -	\$ -	\$ -
Town of Chesterfield	General Fund	\$ 2.26	\$ 2.26	\$ -
Town of Chesterfield	General Outside Village	\$ 0.17	\$ 0.17	\$ -
Town of Chesterfield	Highway-Townwide	\$ 1.32	\$ 2.83	\$ 1.51
Town of Chesterfield	Highway- Outside Village	\$ 1.47	\$ -	\$ (1.47)
Town of Ausable	General	\$ 3.35	\$ 3.35	\$ -
Town of Ausable	Gen B.	\$ 0.32	\$ 0.32	\$ -
Town of Ausable	Highway DA	\$ 2.25	\$ 3.96	\$ 1.71
Town of Ausable	Highway DB	\$ 1.69	\$ -	\$ (1.69)
Town of Chesterfield	Former Village Special Districts	\$ -	\$ -	\$ -
Town of Ausable	Former Village Special Districts	\$ -	\$ -	\$ -

Figure 5 - Expected Change in Tax Rates By Fund, Consolidated Streets Functions

The table above shows that the consolidation of streets functions into the Towns’ Highway budgets results in a rate reduction of \$1.67 per \$1,000 of assessed value for Village taxpayers. For Town residents, the impact involves two factors: a reduction in the Highway Outside tax rate of \$1.47 for Chesterfield and \$1.69 for Ausable AND an increase in the Highway Townwide tax rate of \$1.51 for Chesterfield and \$1.71 for Ausable. When these two changes are taken together, they spell a NET INCREASE in the tax rate for Chesterfield of \$0.04 and \$0.02 for Ausable.

While there may be opportunities to increase the savings from consolidation of the Village’s streets functions into the Towns’ Highway Departments, the current estimates suggest that this consolidation would not result in sufficient savings to create positive tax benefits for all three municipalities. Further complicating the potential of this alternative is the fact that the Village’s garbage collection service is provided using staff from the Streets department. If that department was consolidated into the Towns’ Highway functions, it is assumed that the garbage collection service would be eliminated.

Administrative Functions

Besides streets maintenance and sewer/water operations, administrative functions consume the largest share of the Village’s budget. These costs are difficult to address, however, so long as there is a municipal corporation to run. Functions such as budgeting, payroll, records management, legislation and HR management are part of the cost of doing business for any village.

In analyzing the current structures and budgets for administrative services provided by the Village, we have identified the following recommendations:

- The Village’s general government administration budget item should be broken out to better account for the Village’s various administrative costs.
- The Village should establish policies and procedures that ensure adequate allocations are being made for the Clerk/Treasurer and Deputy Clerk’s time spent conducting business related to the Sewer and Water services.

Apart from these recommendations, there does not appear to be a promising alternative to dissolution involving consolidation of administrative functions. These functions would be difficult to consolidate with the Towns, and where limited redundancies might be identified and eliminated, the overwhelming majority of these costs are unlikely to be reduced through functional consolidation. As a result, the goals of increased efficiency and lower municipal service costs are not likely furthered by this alternative.

No Action

One obvious but easy-to-overlook alternative to dissolution is the option of no action. In many cases, Villages that choose to study dissolution end up choosing this alternative, having found in the process of studying dissolution that the cumulative benefits of dissolution do not outweigh some of the real or perceived drawbacks.

To facilitate evaluation of the “no action” alternative, all of the options and scenarios laid out in this study document are presented with impact assessments that calculate the impact of dissolution in comparison to the status quo. That is, where we identify the fiscal impact of dissolution for an option, that impact is presented as a percent change from the current tax rate, tax bill, or municipal fee. Wherever the option results in savings, it can be concluded that that option is preferable over no action.

It is important to note that the study findings demonstrate that Village Dissolution is the most promising means available to Village residents to achieve the goals of increased efficiency and lower local government costs.

In many cases, however, the most compelling reasons that residents favor the no action alternative is a fear of the unknown or a fear that there are unidentified risks that outweigh the benefits discussed during the Dissolution Study process. The public engagement process of the study is designed to identify these concerns and attempt to provide a response that allows residents to focus on the facts regarding dissolution, rather than on rumors or suspicions.

Appendix C: Inventory of Village Laws and Ordinances

VILLAGE OF KEESEVILLE LOCAL LAWS

Assessing Local Law No. 1, 1990 (Terminating)

Abstract Publication...Land Use Local Law No. 1 of 1981

Burning Regulations 1940, By-Laws and Ordinances 1878, Theaters, Circuses Etc...1940

By-Laws and Ordinances 1878

Burning (Odor & Incineration) Local Law No. 6 1998

Curfew Local Law No. 2 of 1997

Dog Control Local Law No. 3 1985

Drinking in Public, Ordinance of 1997

Economic Development Zone Local Law No. 3 1997

Fair Housing Local Law No. 3, 1983, Amendments LL No. 2, 1984 and LL No. 1 of 1988.

Fire and Building Code Administration Local Law No. 2, 1987

Flood Zone Permits Local Law No. 3, 1987

Flood Plain Management Local Law No. 1, 2007

Games of Chance Local Law No. 1, 1989

Historic District Local Law No. 2, 1989

Junk Yards Local law No. 1, 1966

Mobil Homes Local Law No. 1, 1987

NOISE Local Law No. 3, 1998, Amendment Local Law No.1 , 2005

Nudity Prohibited Local Law No. 4, 1998

Nuisances on Private Property, Local Law No. 2, 2001

VILLAGE OF KEESEVILLE LOCAL LAWS CONTINUED

Parking on Streets, 1939, 1947, 1950, 1959 and 1977

Parking on Sidewalks Local Law No. 1, 2009

Peddlers, Solicitors & Transient Merchants Local Law No. 2, 2008

Prior Notice of Defects – Streets etc... Local Law No. 1, 1997, Previous 1981

Property Tax Levy in Excess Local Law No. 1 of 2012

Senior Tax Exemption Local Law #1, 2000

Sewer Use Ordinance Jan. 2, 1974

Sewer Rates Local law No. 2, 1983

Snow Removal Local Law No. 5, 1998

Speed Limit 1942

Taxicabs 1959-1977

Unsafe Buildings Local Law No. 1, 2001

Utility Tax Local Law No. 1, 1992

Veterans Exemptions Local Law No. 1, 1984 / LL No.2, 1998

Water Supply Regulations 1921

Water Use 1936, Water Fees & Rates 1954 -1989 Local Law No. 3, 1989

Zoning Law No. 1, 1995

Appendix D: Letter from Village Bond Counsel

George W. Cregg, Jr.
Partner
gcregg@hodgsonruss.com



September 20, 2012

Ms. Lynn A. Hathaway
Village Clerk/Treasurer
Village of Keeseville
58 Liberty Street
Keeseville, New York 12944

Re: Village of Keeseville, New York
Effect of Dissolution upon Village Debt

Dear Ms. Hathaway:

By e-mail to Pamela Weisberg of our office dated September 12, 2012, you indicated that the Village of Keeseville (the "Village") is undergoing a Dissolution Study which is about 3/4 of the way done, and that, as part of this process, you wished information respecting the effect that a dissolution of the Village would have upon the Village's outstanding bonds.

The answer to this question lies in Title 3 (Dissolution of Local Government Entities) of Article 17-A (Consolidation and Dissolution of Local Government) of the General Municipal Law of the State of New York (the "GML"). In particular, Section 790 of the GML provides as follows:

"The outstanding debts, liabilities and obligations of the dissolved local government entity shall be assumed by the town in which the dissolved entity was situated and shall be a charge upon the taxable property within the limits of the dissolved entity, collected in the same manner as town taxes. The town board shall have all powers with respect to the debts, liabilities and obligations as the governing body of the dissolved entity possessed prior to its dissolution, including the power to issue town bonds to redeem bond anticipation notes issued by the dissolved entity."

In summary, a district-like situation (Village bonds are paid by taxes upon only properties once located in the dissolved Village) is created until the outstanding bonds are paid.

Since the Village is located in two towns, upon a dissolution of the Village, the Village's outstanding debts will be apportioned between the two towns and, with respect to former Village property located in a particular town, such outstanding debt so apportioned to such town will become a charge upon all of the former Village properties located in such town. The dissolution plan should address how the Village's outstanding debt will be split between the two towns (presumably on the same basis as it was assessed prior to the dissolution).

Lynn A. Hathaway, Village Clerk/Treasurer
Village of Keeseville
September 20, 2012
Page 2



Note that, when a Village is dissolved, it is not unusual for the Village's water, sewer and fire assets (and debt) to be transferred to respective special districts created for water, sewer or fire purposes. Thus, it is possible that outstanding Village debt issued for water, sewer or fire purposes may be levied as part of a special district tax, rather than as part of the general town tax.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

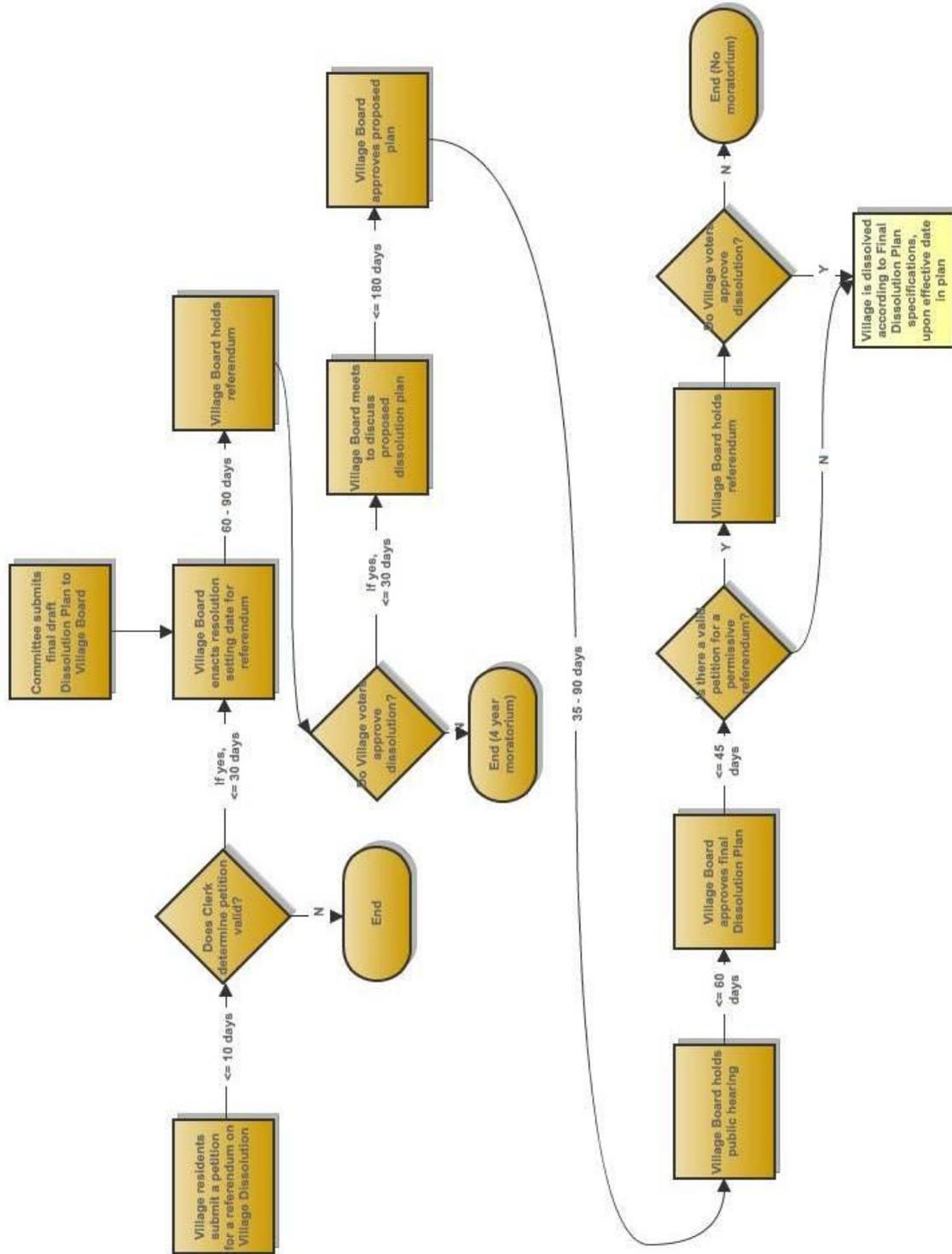
Very truly yours,

HODGSON RUSS LLP

By: 
George W. Cregg, Jr.

Appendix E: Flowchart of Next Steps in the Dissolution Process

Petition-Driven Dissolution Process



Appendix F: Log of Questions, Comments and Responses

Keeseville Dissolution Study - Question Log

This spreadsheet catalogues the questions that have arisen during the ongoing effort to complete the Keeseville Dissolution Study. As the questions are resolved or feedback incorporated, the resolution details are recorded in this spreadsheet, which will become a reference during later stages of the project. Each issue or suggestion will be assigned to various parties at various stages of its resolution, and should be acted upon by the assigned person in a timely fashion. Questions or suggestions that cannot immediately be resolved should be placed into a pending status.

ID	Question/Suggestion Description	Asked By	Date Recorded	Answer/Resolution	Action Steps	Assigned To	Type	Priority	Effort	TARGET Resolution Date	Status
1	Suggests that greater emphasis be put on the fact that the plan is non-binding.	Mary	8/22/2012	Will make modifications to plan to accommodate this request.	Update Draft Dissolution Plan	T. Weidemann					Verified
2	Will new districts (specifically a new water district) have to be created for residents?	Scott	8/22/2012	The Draft Dissolution Plan recommends the creation of special districts for Water and Sewer services.	None						Closed
3	Suggests greater emphasis be put on the cost of implementation.	Scott	8/22/2012	Will make modifications to plan to accommodate this request.	Update Draft Dissolution Plan	T. Weidemann					Verified
4	Believes that estimates for legal fees seem low (pg. 5 Draft Plan)	Scott	8/22/2012	In the opinion of the Fairweather/Rondout team, these estimates are reasonable given the proposed structure of service delivery (i.e. special districts) in the event of Village Dissolution.	None						Closed
5	How long before residents see the savings displayed in presentation?	Scott	8/22/2012	The study and plan present expected changes to municipal budgets and tax rates upon dissolution. The savings projected for Village taxpayers would take effect upon the effective date of the dissolution.	Include in Q&A appendix	T. Weidemann					Verified
6	How will the plan affect the 2% property tax cap?	Scott	8/22/2012	If the village is dissolved, the 2% cap still applies to the towns. Any increase to town budgets directly resulting from dissolution would not be subject to the tax cap.	Include in Q&A appendix	T. Weidemann					Verified
7	Also questioning attorney fees estimate at 0\$.	John	8/22/2012	This is the estimate provided by the Towns	None						Closed
8	Why can't ballot include a question about how residents would like to handle water and sewer boards?	Sandy	8/22/2012	Ballot put before voters can only include a yes or no choice referring to the final dissolution plan. We will look into whether a separate proposition could be put to voters to determine preferred method for providing sewer/water services.	Include in Q&A appendix	T. Weidemann					Pending Answer
9	If Village creates authority or commission now, how does that stand after dissolution?	Mary	8/22/2012	An authority or commission created involving the Village prior to dissolution could be impacted by a future dissolution of the Village. It is recommended that any joint structures implemented include specific clauses defining how the joint venture is impacted if one of the parties dissolves.	Include in Q&A appendix	T. Weidemann					Verified

ID	Question/Suggestion Description	Asked By	Date Recorded	Answer/Resolution	Action Steps	Assigned To	Type	Priority	Effort	TARGET Resolution Date	Status
10	Will there be a base rate that residents will pay for water and sewer? She feels average costs can be misleading.	Not Known	8/22/2012	We understand this question to be about the accuracy of our average usage figures for water and sewer. These averages are based on EPA estimates. The rate is presented in the study and plan, and any resident can calculate the expected impact on their sewer/water bills by multiplying their annual water usage (in 1,000s of gallons) by the rate before and after dissolution.	Include in Q&A appendix	T. Weidemann					Verified
11	The averages presented in slides are off, and will scare people.	Mayor Holderman	8/22/2012	This concern is noted, and it is recognized that if actual consumption of water/sewer is greater than the amounts presented, the impact of dissolution on sewer/water bills is likely to be worse. We will explain this further in the plan and study.	Update Draft Dissolution Plan and Study	T. Weidemann					Verified
12	To ease concerns about averages not matching individual costs, he suggests that we emphasize that residents should "insert their own costs".	Not Known	8/22/2012	Point noted. Will make modifications to the plan and study	Update Draft Dissolution Plan and Study	T. Weidemann					Verified
13	How long will it take to set up an authority?	John	8/22/2012	Authorities must be approved by the state legislature. It is unlikely that an authority could be established in less than a 2-3 year timeframe.	Include in Q&A appendix	T. Weidemann					Verified
14	Which numbers in slides are local averages or which are national averages?	Steve	8/22/2012	This will be clarified in the revised study and plan	Update Draft Dissolution Plan and Study	T. Weidemann					Verified
15	When do total savings start?	Richard	8/22/2012	See response to Q5 above. Estimated savings take effect upon the effective date of dissolution of the Village.	Include in Q&A appendix	T. Weidemann					Verified
16	What happens to retirement funds for those approaching retirement?	Mary	8/22/2012	If the village is dissolved, all contracts with current employees will be terminated. Village-specific post-employment benefits (e.g. health care) would continue to be provided to employees who have retired prior to dissolution, but any employees transferred to one of the towns would receive the benefits provided by the town.	Include in Q&A appendix	T. Weidemann					Verified
17	Can the town expand water districts to include properties outside village?	Not Known - Resident	8/22/2012	Yes. If the Village dissolves and the towns create water/sewer districts, those districts may be modified by the town board according to provisions in NYS law.	Include in Q&A appendix	T. Weidemann					Verified

ID	Question/Suggestion Description	Asked By	Date Recorded	Answer/Resolution	Action Steps	Assigned To	Type	Priority	Effort	TARGET Resolution Date	Status
18	Keeseville has lent money away. How much money is owed and how will it be paid back?	Not Known - Resident	8/22/2012	This question is referring to the Village's revolving loan fund, which is no longer active. The original capital for establishing the revolving loan fund was received through a federal grant (HUD), but has since been defederalized (i.e. the Village is no longer obligated to pay back the grant). If the Village is dissolved, any outstanding payments owed to the Village in repayment of loans would continue to be paid to one of the Towns, as successor to the loan agreement.	Update Draft Dissolution Plan and Study	T. Weidemann					Verified
19	How are assets distributed?	Not Known - Resident	8/22/2012	How Village assets are distributed is determined by the Dissolution Plan. The draft plan specifies which Town would receive some assets upon dissolution. Any assets without a specific disposition would be transferred to one of the towns on the basis of need. If a town has a need for additional equipment based on an increased demand resulting from dissolution, that town would have the option of acquiring village assets related to that service. All assets not needed by towns can be sold at fair market value.	Include in Q&A appendix	T. Weidemann					Verified
20	Would value of assets be used to offset the village liabilities?	Not Known - Resident	8/22/2012	By law there is no requirement that proceeds from the sale of village assets must be used to pay-off village debts/liabilities. In the draft plan, we recommend that if the Village dissolution vote is approved by residents, any unneeded Village assets that can be sold should prior to the effective date of dissolution with proceeds used as the Village Board sees fit. An additional stipulation will be added to the plan that any proceeds from the sale of assets of the Village transferred to one or both of the Towns upon dissolution should be applied first to repayment of debts or liabilities of the former Village.	Update Draft Dissolution Plan and Study	T. Weidemann					Verified
21	Could town(s) claim assets without reducing liabilities, and then sell for their own benefit shortly after?	Not Known - Resident	8/22/2012	Yes, it is possible that the Towns could disregard the stipulation in the plan that requires proceeds from the sale of Village assets to be used to pay down Village debts. The plan is not a binding contract on the Towns.	Include in Q&A appendix	T. Weidemann					Verified

ID	Question/Suggestion Description	Asked By	Date Recorded	Answer/Resolution	Action Steps	Assigned To	Type	Priority	Effort	TARGET Resolution Date	Status
22	Will water and sewer agreement be completed before vote?	Not Known - Resident	8/22/2012	The Fairweather/Rondout team highly recommends that the Village and the Towns work together to craft agreements regarding how water and sewer services would be provided after dissolution BEFORE any vote on dissolution.	Include in Q&A appendix	T. Weidemann					Verified
23	What responsibility do towns have regarding visual eye sores if village dissolves.	Not Known - Resident	8/22/2012	The Towns would be required to enforce Village zoning and building codes for a period of 2 years following dissolution, unless the Towns either repeal or replace those laws.	Include in Q&A appendix	T. Weidemann					Verified
24	Will Ausable be subject to APA zoning regulations if village dissolves?	Not Known - Resident	8/22/2012	If the Village dissolves and no zoning code is developed for the Ausable portion of the former village prior to the end of the 2-year transition period, APA land-use regulations would continue to be in force in the former Village area.	Include in Q&A appendix	T. Weidemann					Verified
25	Can Ausable maintain zoning laws within village?	Not Known - Resident	8/22/2012	Unclear as to the question. The Town can establish zoning covering the former Village area after dissolution.							Closed
26	If village gets grant money, will it go to the town?	Not Known - Resident	8/22/2012	If the Village receives a grant prior to dissolution and the grant is not closed/finished prior to dissolution, the grant funds (as well as the grant contract) would pass to the surviving municipalities.	Include in Q&A appendix	T. Weidemann					Verified
27	How will towns handle brush and leaf pick up?	Not Known - Resident	8/22/2012	Town Supervisors have agreed to provide brush and leaf pick up service to village residents.	Include in Q&A appendix	T. Weidemann					Verified
28	What is the number of people utilizing curbside pick up?	Not Known - Resident	8/22/2012	This is not currently known. The Village Clerk's office maintains a log of sticker purchases, which could be reviewed to determine the number of bags purchased.	None						Closed
29	How many years will NYS do tax credit?	Not Known - Resident	8/22/2012	No guarantees can be made regarding the future continuation of funding sources such as this, regardless of whether the Village dissolves. Additional information about funding for this program will be provided in the final Dissolution Plan materials.	Include in Q&A appendix	T. Weidemann					Verified
30	Is the tax credit paid to the town(s)?	Not Known - Resident	8/22/2012	Yes. The Citizens Empowerment Tax Credit is paid as additional state aid to towns where a municipal consolidation has been implemented.	Include in Q&A appendix	T. Weidemann					Verified

ID	Question/Suggestion Description	Asked By	Date Recorded	Answer/Resolution	Action Steps	Assigned To	Type	Priority	Effort	TARGET Resolution Date	Status
32	If the Village dissolves, will resulting cost increases in the Towns be subject to the property tax cap?	DSC	10/17/2012	According to the NYS Dept of Taxation and Finance, "When a local government dissolves, the Office of the State Comptroller will calculate the tax levy limit for the local government that assumes the debts, liabilities and obligations of the former local government. This calculation will be based upon the prior year tax levy limits of both local governments, but other factors pertaining to the dissolution may also be considered."	Include in Q&A appendix	T. Weidemann					Verified
33	If the Village has cash assets even after general debts are all paid off, what happens to those assets on the dissolution effective date?	DSC	10/17/2012	According to NYS law, any and all assets pass to the Town(s). The plan specifies in general how remaining assets will be transferred to the towns. If the Village pays down all general fund debt and still has a surplus of cash, it is recommended that the Village use available cash to pay down any other debts that can be paid.	Include in Q&A appendix	T. Weidemann					Verified
34	If the Village's zoning code is not formally adopted by the Town(s), would APA regulations take effect?	DSC	10/17/2012	Yes. In the absence of zoning, APA regulations would take effect. The entirety of the Village area (including some areas just outside of the Village) are designated as hamlet-areas by the APA and would be subject to APA permit requirements for specific uses.	Include in Q&A appendix	T. Weidemann					Verified
35	Are APA land use regulations for hamlet areas more or less stringent than the Village's zoning code.	DSC	10/17/2012	Generally speaking, the APA's regulations are much less stringent than locally-designed and adopted zoning ordinances. A cursory review suggests that this is true for the Village of Keeseville, where the local zoning requirements are significantly more strict regarding allowable uses, permitting requirements and site plan requirements than APA regulations for hamlet areas. See Technical Memo for more details.	Include in Q&A appendix	T. Weidemann					Verified