

Village of Herrings Dissolution Committee
May 5, 2016 Meeting Summary

In Attendance:

Charles Burns	Katie Malinowski
David Arnold	Jim Burrows
Sue Storms	Kathy Amyot
Dan Nevills	Carla Malmgren
Jim Yuhas	Kevin Schwenzfeier
Pat Britton	Robert Roeckle
Paul Smith	Mark Gebo
Matt Johnson	

1. Introductions, Review of Agenda & 4/7 Meeting Summary

DOS representatives, Rob Roeckle and Kevin Schwenzfeier are in attendance. Matt Johnson from the Tug Hill Commission has been working on the fiscal components of the Plan and is also in attendance to discuss the sections that he has contributed to. The town's attorney, Mark Gebo, is in attendance, as well as the village's attorney, Jim Burrows.

Distributed copy of 4/7/16 Meeting Summary. This, along with other meeting handouts can also be found online at (<http://www.tughill.org/projects/village-of-herrings-dissolution-study/>).

2. Draft Plan Review

The latest version of the Draft Plan was distributed to the Committee. This version includes more detailed recommendations and fiscal impacts related to dissolving the village and a projected tax rate.

Overview and discussion of fiscal estimate of the cost of dissolution (from page 7 of the Plan):

"1.) The fiscal estimate of the cost of dissolution is \$53,500 which will be funded primarily through NYS Local Government Efficiency Grants (the village is eligible for a \$50,000 implementation grant, and the town is eligible for a separate grant for \$50,000 toward implementation cost. Both grants require a 10% match. Approximate costs include \$12,000 in general legal fees; \$20,000 for preparing documentation required to create four (4) special districts for water, sewer, fire protection, and street lighting; \$14,000 consultant fees to assist the village in the transfer of accounting records; \$3,000 for transfer of village records to the town; \$2,500 for engineering services to assess the sewer treatment facility; and miscellaneous costs related to advertising fees and public outreach of \$2,000.

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2) The projected tax rates for former village property owners would decrease by an estimated 14.0%, an approximate savings of \$256 on a property assessed at \$100,000. Town property owners are projected to see an estimated decrease of 12.2%, equal to a reduction of \$38 on a property assessed for \$100,000. Further analysis and more detailed projection can be found in Appendix B.

Former village residents who are now receiving water and sewer services will pay their own water and sewer fees. Similarly, the street lighting district will divide costs among former village residents. “

Mr. Gebo asked if the Citizen’s Empowerment Tax Credit (CETC)* is included in that tax rate projection, which it is. Also, how long can the town be expected to receive this credit. Rob responded that it is received annually and is in the State’s budget and finance law as an annual payment, but would be subject to legislative change. In other words, without legislative change to this payment, it will continue in-perpetuity.

*CETC excerpt from page 23:

“The Citizen Empowerment Tax Credit (CETC) is an incentive payment for the reorganization of local governments provided to municipalities by the Legislature pursuant to Article 4-A Section 54 of the State Finance Law.

This additional annual aid to local governments is equal to 15% of the combined amount of real property taxes levied by all of the municipalities involved in the consolidation or dissolution, not to exceed \$1 million and applies to municipal consolidations or dissolutions that have occurred on or after April 1, 2007. Therefore, the town of Wilna would receive an estimated incentive payment in the amount of \$139,704, based on the Village of Herring’s 2015-2016 tax levy of \$42,749.00 and the Town of Wilna’s (town-wide minus special districts) tax levy for 2016 of \$888,608.14.

Assuming the 2016-2017 approved Budget appropriations remains the same as the 2015-2016 approved Budget appropriations, 70% of the estimated \$139,704 (CETC) or \$97,792.80 will be applied directly to reduce the total Town Tax Levy of \$888,608.14. Thus, reducing the town-wide tax levy to \$780,816.14.

The remaining 30% can be used for general municipal purposes such as needed equipment to plow the former village streets and/or building stabilization efforts. (General municipal purposes indicates something that would be a town-wide charge. Once the village dissolves the cost of plowing the former village streets would be a general highway expense, including the cost of any needed equipment. The same would be for any building stabilization efforts – the buildings would be town buildings and therefore would be a town-wide charge.)”

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Rob was asked by Paul if the CETC figure will stay the same. The amount of the tax credit will depend on the date that the village dissolves and the last full fiscal year that the village and the town submit their levies.

Based on the dissolution date of March 31, 2017, that dollar amount will be \$139,704 and will continue at that amount.

As excerpted above 70% of this is to directly reduce the tax levy and the remaining 30% can be used for general municipal purposes.

Discussion on Wilna post-dissolution tax rate analysis and projection that is found in Appendix A, and the Herrings post dissolution tax rate analysis and projection (Appendix B). Matt explains methodology.

Discussion on the timeline and whether dissolution should be pushed to 2018. If the village dissolves on or before 3/31/17, then the CETC will be received in September 2017. If dissolution occurs after that date in 2017 then the CETC will be paid in 2018. Rob makes the point that six months is doable, but a short window to do everything for dissolution. The town has no control over when the village dissolves. There needs to be enough time to form the districts. Paul thinks that it can be done.

Bernier, Carr and Assoc. have contacted Dave Arnold to gain access to the WWTP. Dave said that he spoke with Mickey Lehman and they may be able to come out as soon as the end of the month and as soon as the contract is signed by the village.

Bookkeeping services are on hold. Bowers can no longer do the work and other firms would need to be solicited.

3. Next Steps

- a. Amend Plan with committee suggestions.
- b. Submit reimbursement request

4. Next Meeting: Thursday, June 2, 2016 at 2:30 p.m.