

Implications of a Village Dissolution

Cherry Creek Consolidation Feasibility Analysis

*Prepared for:
Town and Village of Cherry Creek
Chautauqua County
State of New York*

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I. Executive Summary

In 1995, the Village and Town of Cherry Creek in Chautauqua County, New York solicited the assistance of the Southern Tier West Regional Planning & Development Board's Municipal Partnership Demonstration Project (MP) to help them investigate whether they could save money by merging. A committee comprising both village and town officials was created to embark on the feasibility process and after several months of effort, issued a preliminary report illustrating the findings. Contained herein is an explanation of the aforementioned feasibility process. Below is an illustration depicting the financial (taxpayer) implications.

Property Tax Impact of \$100,000 home

Town outside Village	Current - Before Merger	Inside Village
<u>Home A</u>		<u>Home B</u>
-----	Village	868.62
367.59	General - town wide	367.59
000.00	General - town outside village	-----
390.85	Highway - town wide	390.85
203.80	Highway - town outside village	-----
75.38	Fire Protection District	-----
	Sewer, Water Districts *	-----
\$1,037.62	Total	\$1,627.05

Upon Merger (dissolution)

Town outside Village		Inside Village
<u>Home A</u>		<u>Home B</u>
498.80	General	498.80
585.35	Highway	585.35
0	Garbage District	98.64
0	Street Lighting District	46.53
0	Sidewalk District	16.75
74.45	Fire District	74.45
	Sewer, Water Districts *	
\$1,158.60	Total	\$1,320.52

* Charges (rents) for water and sewer are billed independent of tax levy.

II. Village Dissolution

A. Enabling Legislation

Villages in New York are dissolved solely through locally initiated procedures which are spelled out in Village Law Article 19. There are essentially two ways in which the question of dissolution can be brought before the village board, by way of the board of trustees itself or through the filing of a petition by village residents. Each alternative is outlined below. When the actual dissolution vote (referendum) will occur is dependant upon which alternative is selected.

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

With respect to initiation by formal petition, the process becomes a little more complex. If a petition signed by one-third of the eligible electorate of a village signed not earlier than 120 days prior to the filing of the petition to submit the question of dissolution is forwarded to the village board of trustees, then (upon validation) the board of trustees is required and therefore must, adopt a resolution submitting the question to a vote at the next regular or special village election for officers held not less than 30 days after the public hearing required to be held on dissolution. **The term “special election for officers” should not be confused with a “special election” which are sometimes held solely for purposes of considering a referendum.**

If proponents of the dissolution referendum want the question to be presented at a time other than the next regular or special election for officers, then the submitted petition must have two-thirds of the eligible voters. So doing allows for the vote to be scheduled at a “special election.” The date of the special election can be established by the board of trustees, but cannot be less than 30 or more than 60 days from the date of the public hearing. Regardless of the manner in which the question is submitted, the proposition for dissolution must be published in the official newspaper of the village.

Every dissolution must be accompanied by a formal dissolution plan. This is required by Article 19 of the Village Law. The responsibility for preparation of the plan rests upon the shoulders of the board of trustees, regardless of how the question was initiated.

Dissolution plans must outline how former village property will be disposed and the manner in which outstanding obligations will be met. In addition, it is advisable that the plan include any other matters or issues that the board of trustees feels will facilitate the public’s understanding of the overall impact of the dissolution, such as how services will be continued, which services (if any) will be discontinued and the effect that dissolution will have on current laws and ordinances.

The manner in which the dissolution plan must be prepared is very precise, and each step must be followed to the letter, without exception. However, the plan is not intended to be a “contract” between the village and town. Rather, it is a document designed to be used by village residents to provide insight regarding what might possibly occur (services, finances) after dissolution. The dissolution plan should outline how village functions can and will be transferred to the town and should account for the disposition of debt, obligations or taxes. Once complete, the plan should provide all residents with some idea, incomplete though it may be, of what the tangible effects of the

dissolution will be.

The next step in the dissolution process involves the scheduling of a public hearing. By law, notice of the hearing must be published in the official newspaper of the village at least 10, but not more than 20 days prior to the scheduled hearing. It is important to note that as is the case with any public hearing, the village board of trustees has the right to establish rules of procedure.

The public hearing accomplished two things. First and foremost, it provides an opportunity for those affected by the proposal to comment on it. But also, in determining the proper date for submission of a dissolution proposition to referendum, the date in which the public hearing was held is used as the date the question was formally “presented.” In light of this, the board of trustees must be sure that the timing between the public hearing and the date of election is consistent with what the law requires.

Following the public hearing comes the election. The conduct of the election is contingent upon whether the question was submitted at a general or special election for officers, or, whether requested by petition, at a special election.

If the proposition is approved by a majority of those voting on the question, a certificate of the election must be filed with the Secretary of State and the clerks of each town and county in which any part of the village is located. The village will be dissolved as of the thirty-first day of December in the year following the year in which the election occurred. In other words, if the election occurred on June 19, 1997, the village would be dissolved on December 31, 1998. Question: Can the village use the time period between passage and implementation to “back out?” Answer: No. A referendum for dissolution of a village which passes expresses the absolute will of the citizens. The village must dissolve. Question: Does the dissolution of the village necessitate the election of “new” town officers? Answer: No. Dissolution of a village does not affect the status of town officers in any way, and neither requires nor authorizes a new town election. Residents of a village are town citizens both before and after the dissolution of the village. They are represented on the town board to the same degree as are all other town citizens, both before and after the dissolution. *A complete version of Village Law, Article 19 is included in Appendix A.*

II. Village Dissolution

B. The Issues

1. Services

Determining whether dissolution is an appropriate action is dependant upon several issues; one of which is the effect it will have on services. What happens to village services after dissolution? What effect will the dissolution have on the quality of services? What will happen to village employees? These are just a few of the service oriented concerns that arise when a village begins considering dissolution. Understanding what effect dissolution will have on services is important in the feasibility process. One of the more common misconceptions regarding dissolution is that as the village goes, so do its services.

Upon dissolution, there are three things that can happen with respect to village services. Number one, they can be assumed by the town and provided on a town wide basis. Number two, they can be assumed by the town and provided (by way of a special district) to a specific portion of the town (usually consistent with the boundaries of the former village); or number three, they can be eliminated. In Cherry Creek, the village representatives were insistent that every effort be made during the feasibility process to ensure village services would be continued to their fullest extent possible after dissolution. The only exception being village administration where it was understood that the position of mayor and trustee would be abolished.

In order to understand the effect dissolution would have on services, we first needed to identify what services the Village was providing. Once this was done, we were then able to make some suggestions as to how these services could be continued after dissolution. An illustration of this process is included in Appendix B.

Fire Protection was of particular concern. The village owned its own fire department and provided all fire protection services to both the village and the town. Since after the dissolution the village would no longer exist, the concern was who would provide fire protection? Who would control it? Who would pay for it? Here is what we found out. If the Village of Cherry Creek were to dissolve, its' fire department, being an arm of village government, would go out of existence. Likewise, the present contract for fire services it had with the Town of Cherry Creek would also terminate as of the date of dissolution. Village Law, 19-1914 however, states that (unless the Dissolution Plan provides otherwise or unless otherwise inconsistent with law) a town **must take over and continue to provide all former village functions and services**, which must then become a charge upon the taxable real property of the former village. Village Law, 19-1916 further provides that, upon dissolution, all property of the former village would become the property of the town--again, unless the Dissolution Plan states otherwise.

So what does all this mean relative to fire protection services? Simple. Upon dissolution, the Village of Cherry Creek's fire protection equipment/facilities would become town property to use according to law and the Dissolution Plan. According to Village Law, Section 19-1914, a town board may, prior to the date of dissolution, establish one or more special use fire or improvement districts encompassing the territory of the former village. In terms of the town's role in all of this, they would have essentially two options. One, the town board could create a fire district with an elected board of fire commissioners which in turn would establish its own fire department, or two; it could establish a fire district and provide fire protection services by way of a contract between the town board and a town special use fire protection district. In the interest of maintaining a measure of local control over fire protection services, the preferred alternative might be to allow the town board to exercise administrative authority over the fire department and subsequent fire protection services.

Village administrative services would be discontinued. The positions of mayor and trustee would be eliminated. Although village clerical services would also be discontinued, the employee serving in that capacity could be retained by the Town and function in a related capacity, perhaps as a deputy town clerk.

Services provided through the public works department (water, sewer, street lighting, garbage collection and sidewalk maintenance) could be continued through the creation of town special purpose districts, with the existing employees being incorporated into the town highway department.

II. Village Dissolution

B. The Issues

2. Finances

The overriding fiscal issue in any proposed dissolution is determining the effect of the proposal on local property taxpayers. Although the question of dissolution is resolved only by voters residing within the village limits, the effects of their action will be felt by residents outside the village limits as well. Recognizing this, we embarked upon an in depth analysis of both the village and town's budgets; a process which involved the following steps:

Step One: Create a "snapshot" of current town and village activities by highlighting appropriations and revenues.

Relying upon 1995 General Fund, Highway and Special District appropriations and estimated revenues, we proceeded to create what we'll refer to as a "fiscal snapshot" of the town and village. The reason for taking the time to understand both the town and village in this manner is because in order for us to project what the merger of the two governments would result in, we first need to understand what the current situation is. It would be difficult to interpret the impact of such a merger if we did not first understand and appreciate what the current situations were.

Appendix C is an illustration of both the Town and Village of Cherry Creek's budget for fiscal year 1995. Portrayed in the first two columns are the General Funds from both the Village and Town. Each Fund's respective line items are delineated according to their total appropriations and subsequent net appropriations. "Net appropriations" equal the percentage of total appropriations attributable to the tax levy. Note that the sum total of all net appropriations is equal to the total General Fund tax levy. The reason for estimating net appropriations will become evident when we look at the third or "merger" column.

In the third column, labeled "merger", you'll notice that once again total and net appropriations are delineated. Creating the merger column was a simple matter of adding village appropriations together with those of the town. What results is a single "merged" government administering services to the same geographic area as was formerly served by the two independent governments. As you peruse down through the merger column you'll notice that certain appropriations (fire, streets maintenance, street lighting, sidewalks, shade trees, storm sewers, and garbage collection) are "missing." In actuality these particular appropriations are not missing, they have just been transferred to other fund categories. These transfers were necessary because each of these line items (note that they are all from the Village) are not traditionally included as part of a town's General Fund. For instance, former village General Fund appropriations for Streets Maintenance, Storm Sewers and Shade Trees if provided by a town, would likely be deemed highway functions and therefore would be incorporated into the Highway Fund. Similarly, former village General Fund appropriations for Fire, Street Lighting and Sidewalks if provided by a town would be continued through what are known as "special districts." Now, back to the issue of net appropriations.

All things being equal, the figures found in the "merger" column should equal the sum total of all village and town appropriations less estimated revenues and fund balance. But in this particular instance, all things are not equal. Remember, we omitted several "village" line item appropriations from the "merger" General Fund. So, in the interest of equity, we need to deduct the same percentage out of estimated revenues and fund balance as we did with appropriations. The most practical way to do this is to determine what the

percentage of estimated revenue and fund balance are with respect to each individual appropriation, ie. net appropriation. In other words, in order for our “merger” column to be accurate, changes in appropriations must be matched exactly by changes in revenues and fund balance. This is accomplished via the calculation of net appropriations. The General Fund Profiles comparison concludes with a calculation of each Fund’s tax levy and tax rate. All rates are per \$1,000 assessed value.

Appendix D is an illustration of the village and town’s respective highway funds. Although the Village does not have its own Highway Fund, a hypothetical one was created to ease the understanding of how the figures delineated in the “merger” Highway Fund were arrived at. Note that the three line items formerly included within the village’s General Fund (Streets Maintenance, Shade Trees and Storm Sewers) which were “pulled out” of the “merger” General Fund can be found in the “merger” Highway Fund as we indicated earlier. Net appropriations were calculated in the same manner as with the General Fund for the exact same reason. Similar to the General Fund, tax levies and tax rates were also calculated.

In terms of Special Districts (displayed on Appendix E), you’ll notice first that the only district levying taxes among the two municipalities during their “current” or independent stage was the Town’s Fire Protection District. Since the fire protection contract with the village was designed to serve those property owners outside village limits, the assessed valuation of property outside the village (\$18,182,578) was used in determining the applicable tax rate. Please note that although there is a Sewer and Water District operating within the Village, these are not included within the tax levy. These districts are financed independent of the tax levy through what are known as rents and therefore are not included in the tax analysis.

In looking at the “merger” column, you’ll note the presence of several new districts (Fire, Garbage Collection, Street Lighting, Sidewalks). Recall that prior to the merger each of these line items were appropriated within the Village General Fund. This is because these services were exclusive to the Village. No town tax dollars were levied. Since prior to the merger these services were exclusive to Village residents (with the exception of Fire which will be discussed later), it wouldn’t be equitable to expect that after the merger, property owners outside the village limits would be required to pay for these services. The most appropriate manner in which to limit the fiscal responsibility to just those property owners inside the village is through the creation of a special purpose district.

The line item for Fire was handled slightly differently. Before the merger, property owners within the village received fire protection by way the village fire department and paid for it through the Village General Fund. Those property owners outside the village received fire protection services via a contract between the town and village. Taken as a whole, the line item cost of fire protection services to all property owners within Cherry Creek is equal to the amount levied (net appropriation) via the Village General Fund (\$5,713.25) plus that of the Town Fire Protection District (\$14,800). Upon merger, the combined total cost of fire protection services identified above (\$20,514) would be shared equally among the entire town by way of a new town wide “Fire District.”

Step Two: Summarize and compare “Current” and “Merger” budget findings.

Appendix F is a compilation and comparison of each of the aforementioned fund categories, with both “Current” and “Merger” depicted. Notice that with “current” section, we broke town appropriations into their respective “town wide” and “town outside village” components. This was done so as to allow us to calculate and illustrate the total assessed valuation figure as relative to property located outside the village limits (\$18,182,578) and so that we would later be able to depict an accurate illustration of what the total tax

responsibilities would be for property owners, whether within the village limits or outside the village limits.

The “merger” section calculations you’ll note are all shown as “town wide”. This is because with the merger, the village would cease to exist as an independently operating entity. Notice the inclusion of each of the town special purpose districts.

Step Three: Illustrate the “current” and “merger” tax rate schedules

The purpose of this particular step (illustrated on Appendix G) is to depict the total tax rate responsibilities of property owners in Cherry Creek regardless of whether their property is located within or outside the village limits. At the bottom of each table are the total tax rates applied against all property in Cherry Creek.

Note that according to the calculations, the merger of these two separate entities into one consolidated entity (which actually entails the dissolution of the village) results in a net reduction in property taxes of approximately \$2.00 per \$1,000 assessed valuation.

Step Four: Compare the property tax impact of the “current” scenario with that of the “merger”.

Appendix H illustrates the resulting property tax responsibilities of property located inside and outside the village limits according to both current (independent municipalities) and “merger” (village dissolved) scenarios. We based our comparison on the assumption that two pieces of property, one inside the village limits; the other outside the village limits, had the same full market value of \$100,000. Application of the appropriate equalization rates and tax rates per \$1,000 assessed value results in the total tax levy per fund category per scenario. Note that water and sewer rents (collected independent of the property tax levy) are not included.

The results in the “current” scenario show a combined (village and town) property tax levy of approximately \$2,664; whereas in the “merger” scenario (town only), the property tax levy totals approximately \$2,478; a reduction of approximately \$186.

II. Village Dissolution
B. The Issues
3. Local Laws and Ordinances

What happens to the laws and other controls formerly in place in the village? How accessible will the elected officials be? What will the former village area be known as? Perhaps more than anything else, village government typifies the phrase “local autonomy.” Village residents often possess strong ties to their community and are very proud of their government. As a result, any “threat” to this autonomy or perceived loss of control can be daunting and lead to problems if they are not addressed up front.

Village Law, Section 19-1910 addresses the issue of village laws and states that all such laws will remain in effect for a period of two years after the dissolution. (Refer to Appendix A) There isn’t likely to be much debate or controversy over what they call the village because the town has the same name. In communities where the village and town have different names (Village of Fillmore, Town of Hume) the physical area of the former village can retain its “identity” through what is known as hamlet designation. A “hamlet” is a term used to designate a specific geographic area solely for the purposes of local identification.

III. Summary

The approach taken with respect to this particular feasibility effort was to focus on the dissolution more as a “merger” of two municipalities and less as an “elimination” of one municipality. The desire of the Committee to maintain current service levels proved to be the determining factor relative to the decision to treat this process as a merger. Here’s why. Since we knew that the dissolution of the village would result in there being one municipality rather than two and since we knew that the Committee wanted to preserve current service levels, we felt that the most appropriate way to satisfy both these components would be to simply incorporate current (1995) village operations (via their budgeted appropriations and estimated revenues) into those of the town. Our analysis focused on the issue of what Cherry Creek might look like if, instead of being administered by two separate governments, was administered by one.

Every one of the villages’ net appropriations were incorporated together with the towns’. There were no reductions or changes made in any appropriations. Although we eliminated the physical “position” of mayor and trustee, we did not eliminate their respective “appropriation.” The appropriations for these positions were incorporated into the correlative town positions of supervisor and council member. In addition, accommodations (e.g., the creation of town special purpose districts) were made where “inconsistencies” between categories existed.

So what were we able to discover? What are the implications of the village dissolution? Holding to the assumptions/finding within the analysis, the structural consolidation of the Town and Village of Cherry Creek resulted in an overall tax rate reduction of approximately \$2.00 per \$1,000 assessed value. Property taxes levied to village residents decreased from approximately \$17.50 per \$1,000 assessed value to \$14.20 (exclusive of water and sewer rents) value while taxes levied to town outside village residents increased from approximately \$11.16 per \$1,000 assessed value to \$12.46 (exclusive of water and sewer rents).

IV. Appendices

Appendix A	Village Law Article 19.
Appendix B	Village of Cherry Creek Service Inventory Sheet
Appendix C	General Fund Profiles
Appendix D	Highway Fund Profiles
Appendix E	Special District Profiles
Appendix F	Summary of Findings
Appendix G	Tax Rate Schedules
Appendix H	Property Tax Implications
Appendix I	Thinking About Consolidation?

APPENDIX A

Village Law Article 19

Village Law, Section 19-1900. Proposition for dissolution.

1. The board of trustees of any village may, and upon a petition of the electors of the village shall adopt a resolution submitting a proposition for the dissolution of the village in accordance with the permissive referendum article, except that in determining the date for submission of the proposition pursuant to section 9-912 of this chapter, the date of the public hearing under this article shall be used and not the date that the question is presented. A petition to dissolve a village shall be sufficient if signed and acknowledged or proved by qualified electors of such village, in number equal to at least one-third of the total number of resident electors residing in the village, qualified to vote at the last general village or special village election immediately preceding the submission of the proposition in question, and who signed the petition not earlier than one hundred twenty days prior to filing thereof.

2. If such proposition be defeated no other proposition for the same purpose shall be submitted within two years of the date of such referendum.

3. If such proposition is approved by a majority of the qualified electors voting thereon, a certificate of such election shall be filed with the secretary of state and with the clerks of each town and county in which any part of the village is situated and the village shall be dissolved as of the thirty-first day of December in the year following such election.

Village Law, Section 19-1902. Public hearing.

Prior to the submission of the proposition pursuant to subdivision one of section 19-1900, the board of trustees shall conduct a public hearing on the proposed dissolution of the village on notice published at least ten but not more than twenty days before such hearing in the official newspaper of the village.

Village Law, Section 19-1904. Contents of proposition.

1. In addition to the question of dissolution of the village, the proposition shall contain a plan for the disposition of its property, the payment of its outstanding obligations including the levy and collection of the necessary taxes and assessments therefor, and such other matters as may be necessary. All items comprising such plan shall be separately stated and numbered. All or any part of such plan may be made the subject of a contract between the village and the town prior to submission of such proposition.

2. Upon adoption by the board of trustees of such resolution, the proposition and plan shall be published in full in the official newspaper of the village.

Village Law, Section 19-1906. Village books and records.

Upon the dissolution of the village, all its records, books and papers shall be deposited with the town clerk of the town in which the principal portion of such village is situated, and they shall thereupon become a part of the records of such town.

Village Law, Section 19-1908. Claims and actions.

No action for or against the village shall abate, nor shall any claim for or against it be affected by reason of its dissolution.

Village Law, Section 19-1910. Village legislation.

1. Unless the plan shall provide otherwise, all local laws, ordinances, rules or regulations of the village in effect on the date of the dissolution of the village, including but not limited to zoning ordinances shall remain in effect for a period of two years following dissolution, as if same had been duly adopted by the town board and shall be enforced by the town within the limits of the dissolved village, except that the town board shall have the power at any time to amend or repeal such local laws, ordinances, rules or regulations in the manner as other local laws, ordinances, rules or regulations of the town.

2. If the village has a zoning board of appeals, or a planning board, or both, and the town does not, then upon dissolution the town board shall act in place of such board or boards until the town board shall have appointed such board or boards for the town in accordance with the provisions of the town law. Such appointments may be made prior to dissolution, to become effective upon the effective date of dissolution.

Village Law, Section 19-1912. Village obligations.

Unless the plan shall provide otherwise, the outstanding debts and obligations of the village shall be assumed by the town and be a charge upon the taxable property within the limits of the dissolved village, and collected in the same manner as town taxes. The town board shall have all powers with respect to such debts and obligations as the board of trustees would have had if the village had not been dissolved, including the power to issue town bonds to redeem bond anticipation notes issued by the village.

Village Law, Section 19-1914. Village functions and services.

1. Unless such action shall be contrary to the plan or inconsistent with law, the town shall assume the duties and functions of the dissolved village and continue to provide the services theretofore provided by the village. The cost of such services shall be a charge upon the taxable property within the dissolved village unless the town board, acting pursuant to law, shall elect to provide such services by establishing or extending a special or an improvement district, or as a town function.

2. Whenever a village shall adopt a proposition to dissolve as hereinabove provided, the town board of any town in which such village or a portion thereof is situated may, prior to the effective date of such dissolution and upon a public hearing, adopt an order establishing or extending one or more special fire or improvement districts, or town improvements authorized by the town law, to carry on and operate such of the existing village improvements or services as may be required, and prorating village indebtedness or portion thereof against each such district or improvement as deemed appropriate by said town board. Notice of such hearing shall specify the amount of indebtedness to be charged to the district or benefited area, if any, and the basis of the future assessment of costs of the improvement or service. The establishment of such districts or improvements shall become effective on the effective date of such dissolution except that assessments therefor may be made and levied prior to such effective date. Certified copies of any such order shall be filed in the office of the county clerk and in the office of the state department of audit and control at Albany, New York within ten days after adoption. Each such district or improvement shall, in all respects, be governed, operated and administered in the same manner as similar districts or improvements created pursuant to the provisions of the town law.

Village Law, Section 19-1916. Village property.

Unless otherwise provided by the plan, the property of the village shall upon dissolution vest in the town.

Village Law, Section 19-1918. Unpaid taxes and assessments.

1. Whenever the plan requires the levy of a tax to pay village indebtedness and such tax is to be levied or collected at a time subsequent to the effective date of such dissolution, such tax shall be levied and collected as town taxes are levied and collected and applied to such indebtedness, and shall be levied in the same manner as other town taxes upon the taxable real property in that portion of the village situated within the town and shall be collected in the same manner as other town taxes.

2. Any village assessment or installment thereof which shall become due after the effective date of dissolution shall likewise be treated for all purposes as a town assessment. All provisions of the real property tax law with reference to the return of unpaid town taxes and assessments to the county treasurer shall apply to such taxes, and the county treasurer shall thereafter proceed to collect such taxes and assessments in the manner provided for the collection of town taxes and assessments.

3. If at the effective date of such dissolution there remains any uncollected village taxes theretofore levied, including delinquent assessments which are deemed unpaid taxes for purposes of collection, such taxes shall be reported to the legislative body of the county or counties by the supervisors of the town or towns in which said village was situated, and such taxes shall be re-levied upon the property originally liable therefore in a separate column on the tax roll with 5 percent of the amount thereof in addition thereto in the same manner as returned school taxes are required to be re-levied, and shall be collected by the town tax collector.

Village Law, Section 19-1920. Liability of officers.

In the absence of fraud, gross negligence or willful misfeasance, no officer or employee of the village or the town shall be held personally liable upon any claim arising from the dissolution of the village or any circumstances connected with such dissolution.

Village Law, Section 19-1922. Separability clause.

If any part of this title shall be adjudged invalid by any court of competent jurisdiction, such judgment shall not invalidate the remainder thereof, but shall be confined in its operation to the part directly involved in the controversy wherein such judgment shall have been rendered.

Village Law, Section 19-1924. Saving clause.

1. Nothing contained in this article shall be construed to affect any village which is in the process of dissolution upon the effective date hereof. For the purposes of this section the process of dissolution shall be deemed to begin upon approval by the voters of a plan for dissolution.

2. Notwithstanding the provision of subdivision one of this section, the provision of sections 19-1910, 19-1912, 19-1914, 19-1916 and 19-1920 shall apply to all villages which undertake to dissolve at any time.

APPENDIX B

Village of Cherry Creek Service Inventory Sheet

Current Function	Upon Merger
Mayor/Village Board	Discontinued - positions eliminated
Water, Sewer	Continued through creation of Town Special Improvement Water/Sewer District. Only residents receiving services pay. Employee(s) incorporated into the Town Highway Department.
Public Works	Continued. Employee(s) incorporated into the Town's Highway Department.
Fire Protection *	Continued. Town Board functions as the administrator of the Fire Department. Services provided on a town wide basis.
Clerk/Treasurer	Retained by Town as deputy to town clerk.
Street Lighting	Continued through the creation of a Town Special Improvement Street Lighting District. Residents of district pay for services.
Sidewalk Maintenance	Continued through the creation of a Town Special Improvement Sidewalk Maintenance District. Residents of District pay for services.
Garbage Collection	Continued through the creation of a Town Special Improvement Sidewalk Maintenance District. Residents of District pay for services.

* See main text for further detail and explanation

APPENDIX C

General Fund Profiles

Village			Town **			Merger		
<u>General Fund</u>	Total	Net	<u>General Fund</u>	Total	Net	<u>General Fund</u>	Combined	Net
	Approps.	Approps.		Approps.	Approps.		Approps.	Approps.
Mayor	\$2,050	\$1,059.92	Supervisor	\$4,450	\$3,635.84	Supervisor	6,500	4,695.77
Trustees	3,300	1,706.22	Council	3,600	2,941.36	Council	6,900	4,647.58
Clerk/Treas	11,550	5,971.77	Justices	5,600	4,575.44	Justices	5,600	4,575.44
Attorney	2,300	1,189.18	Traffic Bureau	900	735.34	Traffic Bureau	900	735.34
Bookkeeper	1,850	956.52	Tax Collection	2,350	1,920.05	Tax Collection	2,350	1,920.05
Elections	375	193.89	Budget	350	285.97	Budget	350	285.97
Buildings	7,350	3,800.22	Assessors	7,200	5,882.71	Assessors	7,200	5,882.71
Garage	1,000	517.04	Clerk/Treasurer	5,050	4,126.07	Clerk/Treasurer	16,600	10,097.84
Insurance	13,500	6,979.99	Attorney	2,000	1,634.09	Attorney	4,300	2,823.27
Ambulance	2,700	1,396.00	Bookkeeper	6,200	5,065.67	Bookkeeper	8,050	6,022.19
Dues	600	310.22	Elections	1,500	1,225.57	Elections	1,875	1,419.45
Contingent	5,078	2,625.51	Buildings	9,000	7,353.39	Buildings	16,350	11,153.61
Dogs	400	206.81	Insurance	20,000	16,340.87	Garage	1,000	517.04
Publicity	300	155.11	Dues	900	735.34	Insurance	33,500	23,320.86
Culture/Rec	1,700	878.96	Contingent	3,000	2,451.13	Ambulance	2,700	1,396.00
Zoning	1,350	698.00	Control of Dogs	1,650	1,348.12	Dues	1,500	1,045.56
Parks	1,500	775.55	Vital Statistics	300	245.11	Contingent	8,078	5,076.64
Fire Dept	11,050	5,713.25	Spt. of Highways	24,800	20,262.68	Control of Dogs	2,050	1,554.94
Streets Maint	22,750	11,762.58	Veterans Srvc	300	245.11	Vital Statistics	300	245.11
Street Lighting	7,000	3,619.25	Aging Programs	200	163.41	Hiway Supt.	24,800	20,262.68
Sidewalks	2,500	1,292.59	Culture/Rec	900	735.34	Publicity	300	155.11
Shade Trees	1,500	775.55	Zoning	1,800	1,470.68	Veterans	300	245.11
Storm Sewers	2,400	1,240.89	Library	1,200	980.45	Aging	200	163.41
Garbage	15,000	7,755.55	Historian	1,200	980.45	Culture/Rec	2,600	1,614.30
Retirement	1,750	904.81	Celebrations	350	285.97	Zoning	3,150	2,168.68
S S I	2,450	1,266.74	Cemeteries	4,750	3,880.96	Parks	1,500	775.55
Workers Comp	4,891	2,528.83	Retirement	1,000	817.04	Library	1,200	980.45
Unemployment	800	413.63	S S I	4,000	3,268.17	Historian	1,200	980.45
Med. & Hosp.	2,900	1,499.41	Disability	250	204.26	Celebrations	350	285.97
Total Approps	\$131,894	\$68,194	Med. & Hosp.	9,000	7,353.39	Fire	-----	-----
Less Revs	\$58,700		Total Approps	\$123,800	\$101,150	Streets Maint.	-----	-----
Less Balance	<u>\$5,000</u>		Less Revs	\$14,650		Street Lighting	-----	-----
Tax Levy	\$68,194		Less Balance	<u>\$8,000</u>		Sidewalks	-----	-----
Assessed Value	\$7,293,422		Tax Levy	\$101,150		Shade Trees	-----	-----
Tax Rate	\$9.35		Assessed Value	\$25,576,000		Storm Sewers	-----	-----
			Tax Rate	\$3.95		Garbage	-----	-----
						Cemeteries	4,750	3,880.96
						Retirement	2,750	1,721.86
						S S I	6,450	4,534.91
						Workers Comp	4,891	2,528.83
						Disability	250	204.26
						Unemployment	800	413.63
						Med. & Hosp.	11,900	8,852.80
						Total Approps	193,494	\$137,184
						Less Revenues	45,668	
						Less Balance	<u>10,642</u>	
						Tax Levy	137,184	
						Assessed Value	\$25,576,000	
						Tax Rate	\$5.36	

APPENDIX D

Highway Fund Profiles

<i>Village</i>			<i>** Town</i>			<i>Merger</i>		
<u><i>*Highway Fund</i></u>			<u><i>Highway Fund</i></u>			<u><i>Highway Fund</i></u>		
	Total Approps.	Net Approps.		Total Approps.	Net Approps.		Combined Approps.	Net Approps.
Streets Maint.	\$22,750	\$11,762.58	Bridges	\$5,500	\$3,815.27	Bridges	\$5,500	\$3,815.27
Shade Trees	\$1,500	777.55	Machinery	70,000	48,557.96	Machinery	70,000	48,557.96
Storm Sewers	\$2,400	1,240.89	General Repairs	49,500	34,337.42	General Repairs	49,500	34,337.42
			Improvements	31,000	21,504.24	Improvements	31,000	21,504.24
			Miscellaneous	5,400	3,745.90	Miscellaneous	5,400	3,745.90
			Snow Removal	44,000	30,522.15	Snow Removal	44,000	30,522.15
			Retirement	2,000	1,387.37	Streets Maint	22,750	11,762.58
			S S I	4,800	3,329.69	Shade Trees	1,500	777.55
						Storm Sewers	2,400	1,240.89
			<u>Total Approps</u>	<u>\$212,200</u>	<u>\$147,200</u>	Retirement	2,000	1,387.37
			Less Revs	\$35,000		S S I	4,800	3,329.29
			Less Balance	\$30,000				
			<u>Tax Levy</u>	<u>\$147,200</u>		<u>Total Approps</u>	<u>\$238,850</u>	<u>\$160,981</u>
			Assessed Value	\$25,576,000		Tax Levy	\$160,981	
			Tax rate	\$5.76		Assessed Value	\$25,576,000	
						Tax rate	\$6.29	

Net Appropriations were calculated by subtracting each line item appropriation by the percentage revenue attributable to it.

* Village has no "Highway Fund." These figures were taken from the General Fund and listed here only for comparative purposes.

** For the purpose of this comparison, town wide and town-outside-village appropriations were combined.

Cherry Creek Special District Appropriations	Village Current	Town Current	Merger
Fire	Included in	NA	\$25,850
Less Percent of Revenues	General Fund		\$4,917
Less Percent of Balance			\$418
Tax Levy			\$20,515
Assessed valuation			\$25,576,000
Tax rate			\$0.80
Garbage Collection	Included in	NA	\$15,000
Less Percent of Revenues	General Fund		\$6,675
Less Percent of Balance			\$568
Tax Levy			\$7,757
Assessed valuation			\$7,293,422
Tax rate			\$1.06
Street Lighting	Included in	NA	\$7,000
Less Percent of Revenues	General Fund		\$3,115
Less Percent of Balance			\$265
Tax Levy			\$3,620
Assessed valuation			\$7,293,422
Tax rate			\$0.50
Sidewalks	Included in	NA	\$2,500
Less Percent of Revenues	General Fund		\$1,112
Less Percent of Balance			\$94
Tax Levy			\$1,294
Assessed valuation			7,293,422
Tax rate			\$0.18
Fire Protection	NA	\$14,800	Included in
Less Revenues		\$0	"Fire" above
Less Balance		\$0	
Tax Levy		\$14,800	
Assessed Valuation		\$18,182,578	
Tax rate		\$0.81	
Sewer	\$71,500	NA	\$71,500
Less Revenues	\$9,500		\$9,500
Less Balance	\$14,000		\$14,000
Rents*	\$48,000		\$48,000
Water	\$28,900	NA	\$28,900
Less Revenues	\$400		\$400
Less Balance	\$7,000		\$7,000
Rents*	\$21,500		\$21,500

* Rents are not included within any tax levy. These are collected independently.

APPENDIX F

Summary of Profiles

Current					Merger				
Fund Category	Total Approps	Assessed Value *	Tax Levy	Tax Rate	Fund Category	Total Approps	Assessed Value *	Tax Levy	Tax Rate
General Fund					General Fund				
town wide	122,000	25,576,000	101,150	3.95	town wide	193,494	25,576,000	137,184	5.36
outside	1,800	18,182,578	0	0.00					
Village	131,894	7,293,422	68,194	9.35					
Totals	255,694		169,344			193,494		137,184	5.36
Highway Fund					Highway Fund				
town wide	129,300	25,576,000	107,300	4.20	town wide	238,850	25,576,000	160,981	6.29
outside	82,900	18,182,578	39,900	2.19					
Totals	212,200		147,200			238,850		160,981	6.29
Fire Protection	14,800	18,182,578	14,800	0.81	Fire District	25,850	25,576,000	20,515	0.80
					Garbage District	15,000	7,293,422	7,757	1.06
					Lighting District	7,000	7,293,422	3,620	0.50
					Sidewalk District	2,500	7,293,422	1,294	0.18
Total - town wide	251,300	25,576,000	208,450	8.15	Total General	193,494	25,576,000	137,184	5.36
Total - outside	84,700	18,182,578	39,900	2.19	Total Highway	238,850	25,576,000	160,981	6.29
Fire Protection	14,800	18,182,578	14,800	0.81	Total Districts	50,350	7,293,422	33,186	2.54
Total - village	131,894	7,293,422	68,194	9.35					
Grand Total	482,694		331,344		Grand Total	482,694		331,351	

* "outside" assessed valuation was estimated by subtracting "town-wide" assessed valuation by "village" assessed valuation.

APPENDIX G

Tax Rate Schedules

Current

Fund Category	Anticipated Appropriations	Less Estimated Revenues	Less Unexpended Balance	Amount to be raised by tax	Total Assessed Value	Implied Tax Rate per Thousand
General Fund	122,000	13,350	7,500	101,150	\$25,576,000	\$3.95
General OV Fund	1,800	1,300	500	0	\$18,182,578	\$0.00
Highway Fund	129,300	2,000	20,000	107,300	\$25,576,000	\$4.20
Highway OV Fund	82,900	33,000	10,000	39,900	\$18,182,578	\$2.19
Fire Protection	14,800	0	0	14,800	\$18,182,578	\$0.81
Village	131,894	58,700	5,000	68,194	\$7,293,422	\$9.35
Totals	\$482,694	\$108,350	\$43,000	\$331,344		
Tax rate - town wide (General Fund + Highway Fund)					\$8.15	
Tax rate - fire protection district					\$0.81	
Tax rate - town outside village (General Fund + Highway Fund + Highway OV Fund)					\$10.34	
Tax rate - village					\$9.35	
Total tax rate applied to property located within village (village + town wide)					\$17.50	
Total tax rate applied to property located outside village (town outside village + fire protection)					\$11.16	

Merger

Fund Category	Anticipated Appropriations	Less Estimated Revs/Balance	Amount to be raised by tax	Total Assessed Value	Implied Tax Rate per Thousand
General Fund	193,494	56,310	137,184	\$25,576,000	\$5.36
Highway Fund	238,850	77,869	160,981	\$25,576,000	\$6.29
Fire	25,850	5,335	20,515	\$25,576,000	\$0.80
Garbage Collection	15,000	7,243	7,757	\$7,293,422	\$1.06
Sidewalks	2,500	1,206	1,294	\$7,293,422	\$0.18
Street Lighting	7,000	3,380	3,620	\$7,293,422	\$0.50
Totals	\$482,694	\$151,343	\$331,351		
Total tax rate applied to property located within village (General, Highway, all Districts)				\$14.20	
Total tax rate applied to property located outside village (General, Highway, Fire)				\$12.46	

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

Current

Town outside Village		Inside Village	
Home A		Home B	
-----	Village	868.62	
367.59	General - town wide	367.59	
0.00	General - outside village	-----	
390.85	Highway - town wide	390.85	
203.80	Highway - outside village	-----	
75.38	Fire Protection	-----	
	Sewer, Water *		
\$1,037.62	Total	\$1,627.05	

Calculations:

Category	Market Value	Equalization rate	Taxable Value	Tax Rate	Tax Levy
Village	100,000	92.90%	92,900	\$9.35	\$868.62
General town wide	100,000	93.06%	93,060	\$3.95	\$367.59
General outside	100,000	93.06%	93,060	\$0.00	\$0.00
Highway town wide	100,000	93.06%	93,060	\$4.20	\$390.85
Highway outside	100,000	93.06%	93,060	\$2.19	\$203.80
Fire Protection	100,000	93.06%	93,060	\$0.81	\$75.38

Merger

Town outside Village		Town inside Village	
Home A		Home B	
498.80	General	498.80	
585.35	Highway	585.35	
0.00	Garbage district	98.64	
0.00	Street Lighting district	46.53	
0.00	Sidewalk district	16.75	
74.45	Fire district	74.45	
	Sewer, Water *		
\$1,158.60	Total	\$1,320.52	

Calculations:

Category	Market Value	Equalization rate	Taxable Value	Tax Rate	Tax Levy
General	100,000	93.06%	93,060	\$5.36	\$498.80
Highway	100,000	93.06%	93,060	\$6.29	\$585.35
Garbage	100,000	93.06%	93,060	\$1.06	\$98.64
Street Lighting	100,000	93.06%	93,060	\$0.50	\$46.53
Sidewalk	100,000	93.06%	93,060	\$0.18	\$16.75
Fire	100,000	93.06%	93,060	\$0.80	\$74.45

*Charges (rents) for water and sewer are billed independently.

APPENDIX I

Thinking About Consolidation?

Town and village citizens and local officials often think of consolidation of entire governments when they look for ways to save money or improve services.

That's because these citizens and officials feel that, since both governments are providing essentially the same types of services, combining towns and village should reduce expenditures (and therefore taxes) by eliminating duplication.

Consolidating governments is a complex process however. Interested communities, for example, have to plan for consolidation by studying:

- ! what services the merged government should provide;
- ! how many employees/pieces of equipment would be needed to deliver services;
- ! what expenditures and revenues would be for the new government;
- ! what the property tax rate in the new government would be;
- ! the laws regulating structural changes in government;
- ! how to deal with debts and assets;
- ! the need for special districts to provide some services.

Also, communities planning to consolidate may have to deal with:

- ! residents' fear of losing their town or village identity;
- ! the possibility of conflicting personalities and ambitions of local officials;
- ! politics;
- ! the possibility that the immediate effect for some residents, such as town outside village dwellers, might be an increase in taxes;
- ! employees' fear of change/losing their job.

As part of the process of deciding whether to consolidate, communities should first investigate other simpler kinds of changes that might also save money or improve services. Within an existing town or village, these changes could be:

- ! combining separate employee positions into one, such as clerk-treasurer;
- ! reorganizing separate divisions/bureaus that

- ! provide similar or related services into one; contracting for services with privately owned firms or other local governments.

Among groups of governments, cost savings options could result from:

- ! a few governments joining together to establish a jointly managed auto maintenance shop, or emergency vehicle dispatching service or similar service;
- ! merging whole departments such as those providing police protection or highway services;
- ! jointly using the buildings (town/village hall or equipment garage);
- ! one government providing a service for a fee to residents of other governments (library, ambulance, landfill or recreation programs);
- ! appointing one person to fill the same position in both town and village government.

New York State Department of State [Local Government Consolidation Handbook](#),
Local Government Technical Series: Consolidation for Towns and Villages.