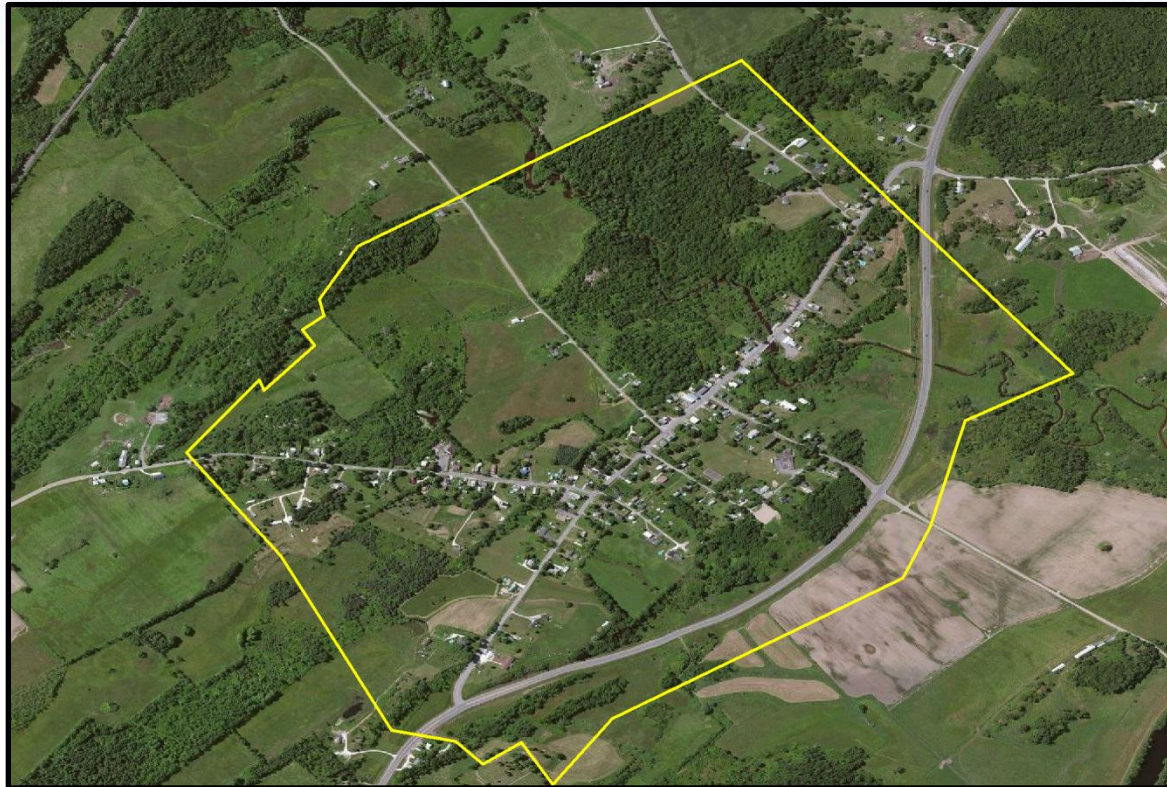


# **Village of Richville**

# **Dissolution Study**

Public Informational Meeting  
September 12, 2016, 6:00 p.m., Richville Fire Hall



Visit the website: [www.danc.org/operations/engineering/village-richville-dissolution-study](http://www.danc.org/operations/engineering/village-richville-dissolution-study)

# Richville Dissolution Study Committee

- Blue Jay Fenlong, Village of Richville Mayor
- John Frary, Town of DeKalb Supervisor
- Ann Adams
- Norris Davis
- Martin Hassett
- Harold Jenkins, Jr.
- Shelley Prashaw
- Larry Pratt
- Bonnie Raymo

## **Consultant:**

- Development Authority of the North Country
  - Carrie Tuttle, Director of Engineering
  - Star Carter, GIS Supervisor

# Topics to Be Covered Today

- Funding for Study
- Dissolution Study Process
- Draft Existing Conditions Report
- Draft Alternatives Report
- Study Findings and Conclusion
- Questions

# Dissolution Study Funding



- The Village Board applied for a \$9,000 Citizen Reorganization Empowerment Grant
- The NYS Department of State awarded the grant to the Village in April 2016
- The grant will cover 50% of the cost of the \$18,000 Dissolution Study and the remaining cost of the study will be split evenly between the Village and Town (i.e., \$4,500 each).

*This study is being funded by and prepared in accordance with the New York State Department of State Work Plan requirements, as outlined in Contract No. T00016GG.*

# Dissolution Study Process



## **Phase 1: Existing Conditions**

- What services do the Village and Town provide to residents?
- How are municipal services provided?
- Village and Town financial, employee, and asset review
- Village and Town taxes review



## **Phase 2: Evaluation of Alternatives**

- How can Village services be provided differently to increase efficiency?
- Study Committee explores many options to alternative service delivery, up to and including Village dissolution



## **Phase 3: Recommendations and Final Report**

- Study Committee will submit final report to the Richville Village Board
- Village Board will vote to accept Recommendations and Final Report



## **Phase 4: Public Hearing and Referendum**

- If recommendation was to dissolve the Village, the Village registered voters would vote
- Must be a majority vote in favor of dissolution to pass

# **Dissolution Study**

## ***DRAFT Existing Conditions Report***

The following is a summary of the  
DRAFT Existing Conditions Report.

The full report and all supporting documentation  
can be referenced on the study website:

**[www.danc.org/operations/engineering/village-richville-dissolution-study](http://www.danc.org/operations/engineering/village-richville-dissolution-study)**

# **Richville, NY**

## **Village History**

- ❖ The Village of Richville was established in 1804 by Salmon Rich as “Rich’s Settlement”. By the early 1900’s, Richville was a thriving Village.
- ❖ The Village had a sizable Welsh community and the original 1859 Welsh Church still stands, with a service held once a year by the Historical Welsh Society.
- ❖ The Richville elementary school closed in 1981.
- ❖ The Village of Richville considered dissolution in the mid 1990’s. A comprehensive study was not completed, but it was determined that “the savings at the time did not outweigh the losses for Village residents.” <sup>1</sup>
- ❖ The Town of DeKalb completed a Community Development Plan in 2012. This plan included a recommendation that the Village of Richville and Town of DeKalb look for more ways to share services and to reconsider dissolution.

<sup>1</sup> Quote from the Town of DeKalb Community Development Plan 2012

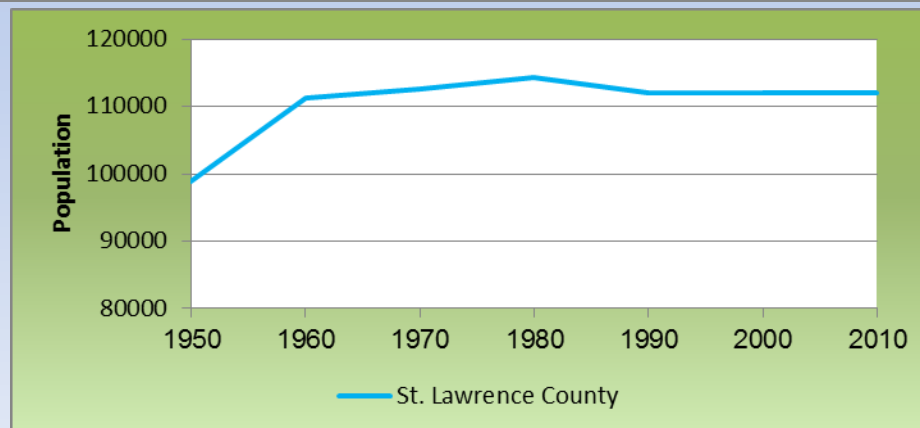
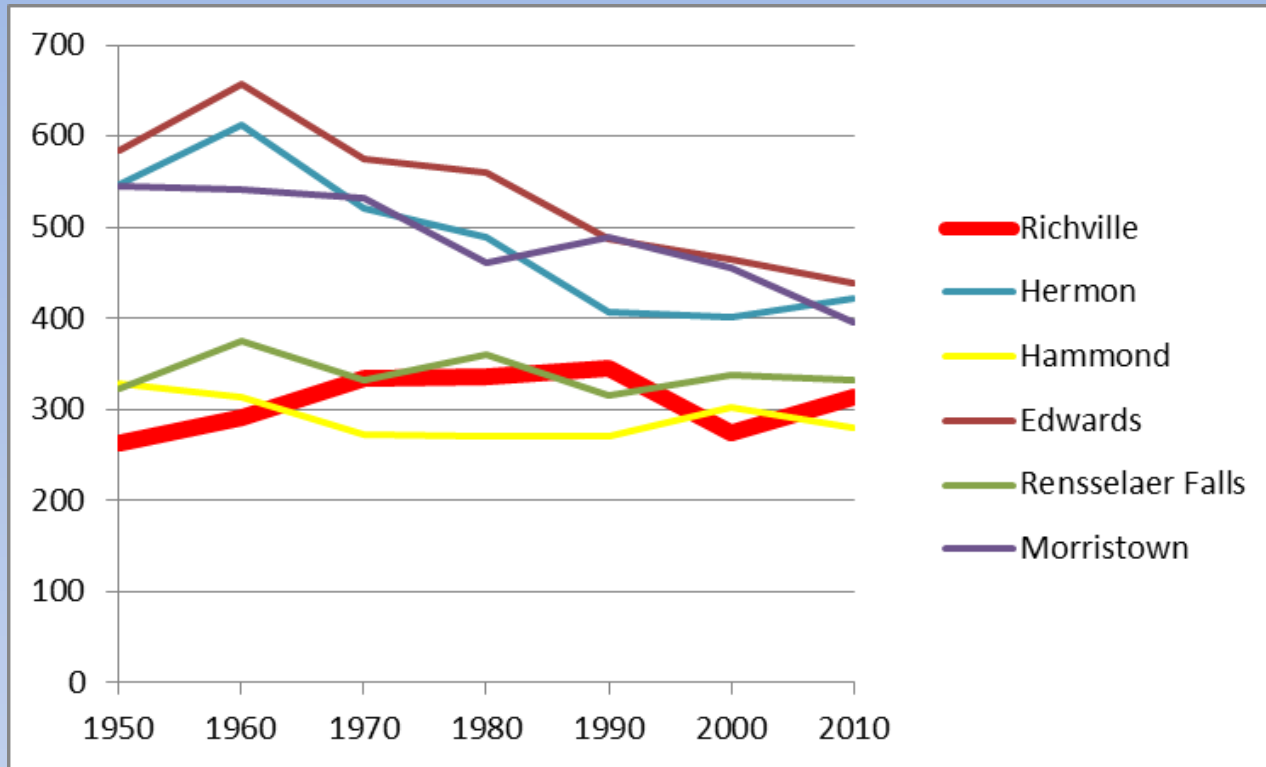
## St. Lawrence County Villages by Population (2010 Census data):

Village	Population
Hammond	280
<b>Richville</b>	<b>323</b>
Rensselaer Falls	332
Morristown	395
Hermon	422
Edwards (former Village)	439
Heuvelton	714
Waddington	927
Norwood	1,657
Gouverneur	3,949
Canton	6,314
Potsdam	9,428
Massena	10,936



# Population Trends Since 1950

## Villages under 500 people in 2010 Census



## St. Lawrence County Towns by Population (2010 Census data):

Town	Population
Clare	105
Piercefield	310
Clifton	751
Pitcairn	846
Rossie	877
Macomb	906
DePeyster	998
Hopkinton	1,077
Hermon	1,108
Edwards	1,156
Hammond	1,191
Colton	1,451
Fine	1,512
Madrid	1,735
Lawrence	1,826
Russell	1,856

Town	Population
Morristown	1,974
Parishville	2,153
Fowler	2,202
Waddington	2,266
<b>DeKalb</b>	<b>2,434</b>
Brasher	2,512
Pierrepont	2,589
Louisville	3,145
Stockholm	3,665
Lisbon	4,102
Oswegatchie	4,397
Norfolk	4,668
Gouverneur	7,085
Canton	10,995
Massena	12,883
Potsdam	16,041

# Real Property Information

## Taxable Assessed Values 2015

Taxable assessed values are used to calculate real property tax bills. The total taxable assessed values do not include properties in the Village or Town that are tax-exempt, including Village or Town-owned parcels, fire stations, churches, and schools.

	<b>Taxable Assessed Value</b>
<b>Richville</b>	\$8,302,015
<b>DeKalb</b>	\$107,540,977
<b>Total</b>	\$115,842,992

# Real Property Statistical Information

## 2015 Assessed Values

<b>Real Property Assessed Values</b> All Parcels within Village or Town	<b>Richville</b>	<b>DeKalb</b>
Highest (Property Owner)	\$205,654 (Niagara Mohawk)	\$7,173,400 (Corning Property Management)
Average	\$55,777	\$87,646
Median	\$57,000	\$53,100

# Explanation of Real Property Taxes

Since the Village and Town's largest revenue source is from Real Property Taxes, here is a review of how the real property tax rate is calculated by a Municipality:

1. Municipality develops and adopts a budget
2. Municipality determines revenue from all sources OTHER THAN the property tax (state aid, sales tax revenue, fees, etc.)
3. These OTHER revenues are subtracted from the budget and the remainder becomes the Tax Levy. The Tax Levy is the amount of money that must be raised through the property tax.

$$\text{Tax Levy} = \text{budget} - \text{revenues}$$

4. To determine the tax rate, the Municipality divides the tax levy by the total taxable assessed value of all the property in the jurisdiction
5. The product is multiplied by 1,000, since tax rates are expressed as "per \$1,000 of taxable assessed value"

$$\text{Tax Rate} = (\text{tax levy} / \text{total taxable assessed value}) \times 1,000$$

**Tax Rates are subject to change each year due to changes in:**  
**- Budgets   - Revenue   - Total taxable assessed value**

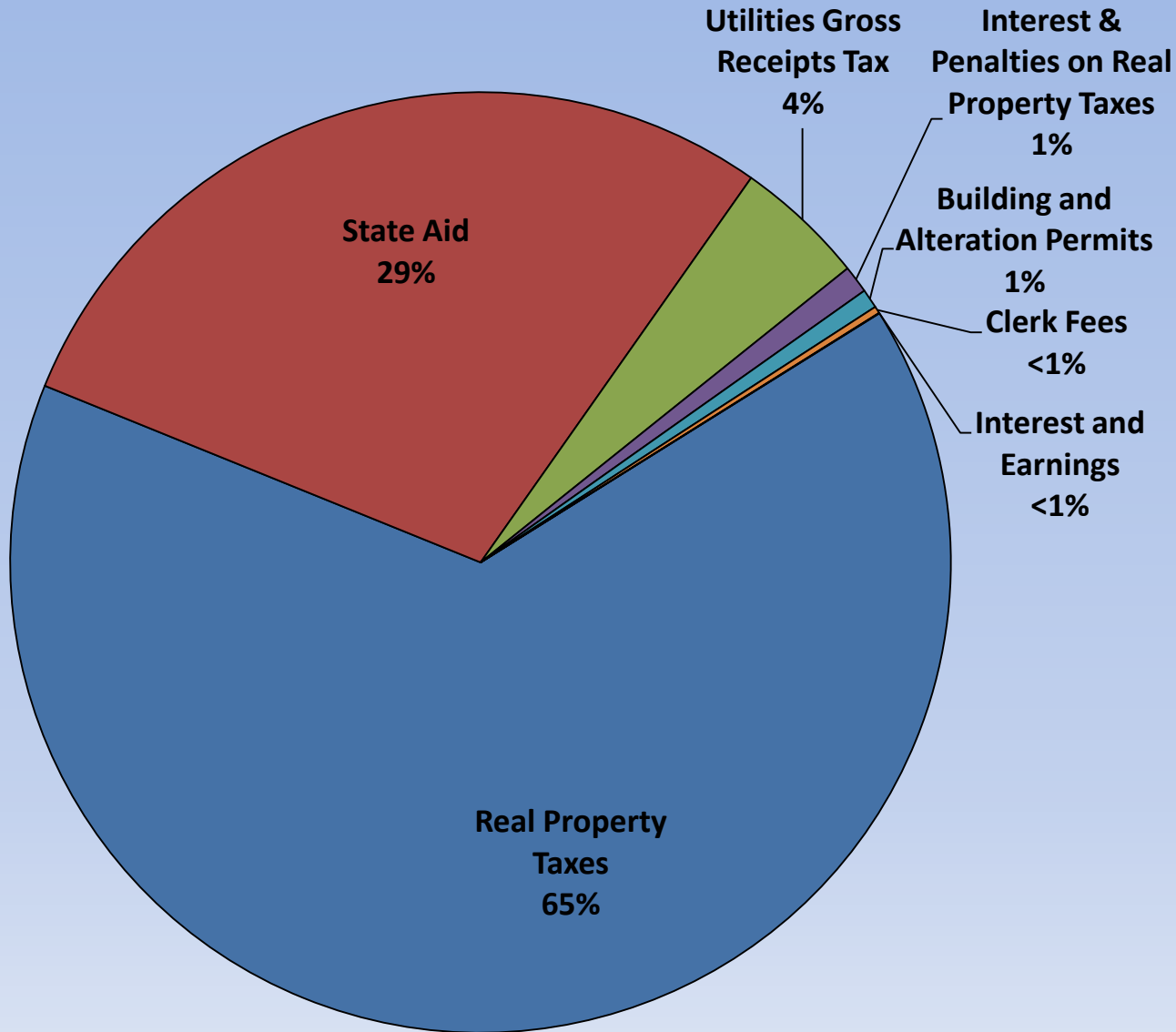
# Richville Revenues 2015

The majority of the Village's revenue comes from real property taxes. The second largest revenue source is State Aid, which includes Consolidated Highway Aid (CHIPS) and other state aid programs.

Revenue Source	Amount
Real Property Taxes	\$29,478
Interest & Penalties on Real Property Taxes	\$429
Utilities Gross Receipts Tax*	\$2,035
Clerk Fees	\$110
Interest and Earnings	\$7
Building and Alteration Permits	\$299
State Aid (CHIPS, Youth Programs, Revenue Sharing, Mortgage Tax)	\$12,979
<b>Total</b>	<b>\$45,337</b>

\* Local Gross Receipts tax - NYS Cities and Villages may impose gross receipts taxes on sales of utility services that occur within their jurisdiction. 349 of 553 eligible villages impose this tax and the rate is 1%.

# Richville Revenues 2015: \$45,337



# **Richville Revenues 2015**

## **Important Note Regarding Sales Tax Revenue**

Most municipalities receive revenue from the County in the form of sales tax revenue, including the Town of DeKalb. The Village does not receive sales tax revenue this way. Instead, they choose to apply their portion of sales tax revenue against the County levy, reducing their County tax rate dramatically.

There are only four municipalities in St. Lawrence County that apply sales tax revenue in this way: the Village of Richville and the Towns of Claire, Clifton, and Fine.

The Village sales tax revenue was \$48,619 in 2015. Sales tax revenue is calculated for a municipality based on population and assessed values, so the amount can vary annually.



# How does the Village spend their Revenue? Village Services

Municipalities report expenditures to the State in Annual Update Documents as:

- “Personal Services” - salaries and employee wages
- “Equipment and Capital Outlay” - equipment and supply purchases
- “Contractual Expenditures” - contracted services, wages paid to contractors

Richville provides the following services to Village residents, listed as “Personal Services” or “Equipment and Capital Outlay” in the Village AUD:

- Mayor and Legislative Board
- Village Clerk/Treasurer
- Attorney
- Elections
- Buildings
- Street Lighting
- Historian
- Celebrations - holiday decorations, spring flags

Richville also provides the following services, listed as “Contractual Expenditures” in the AUD:

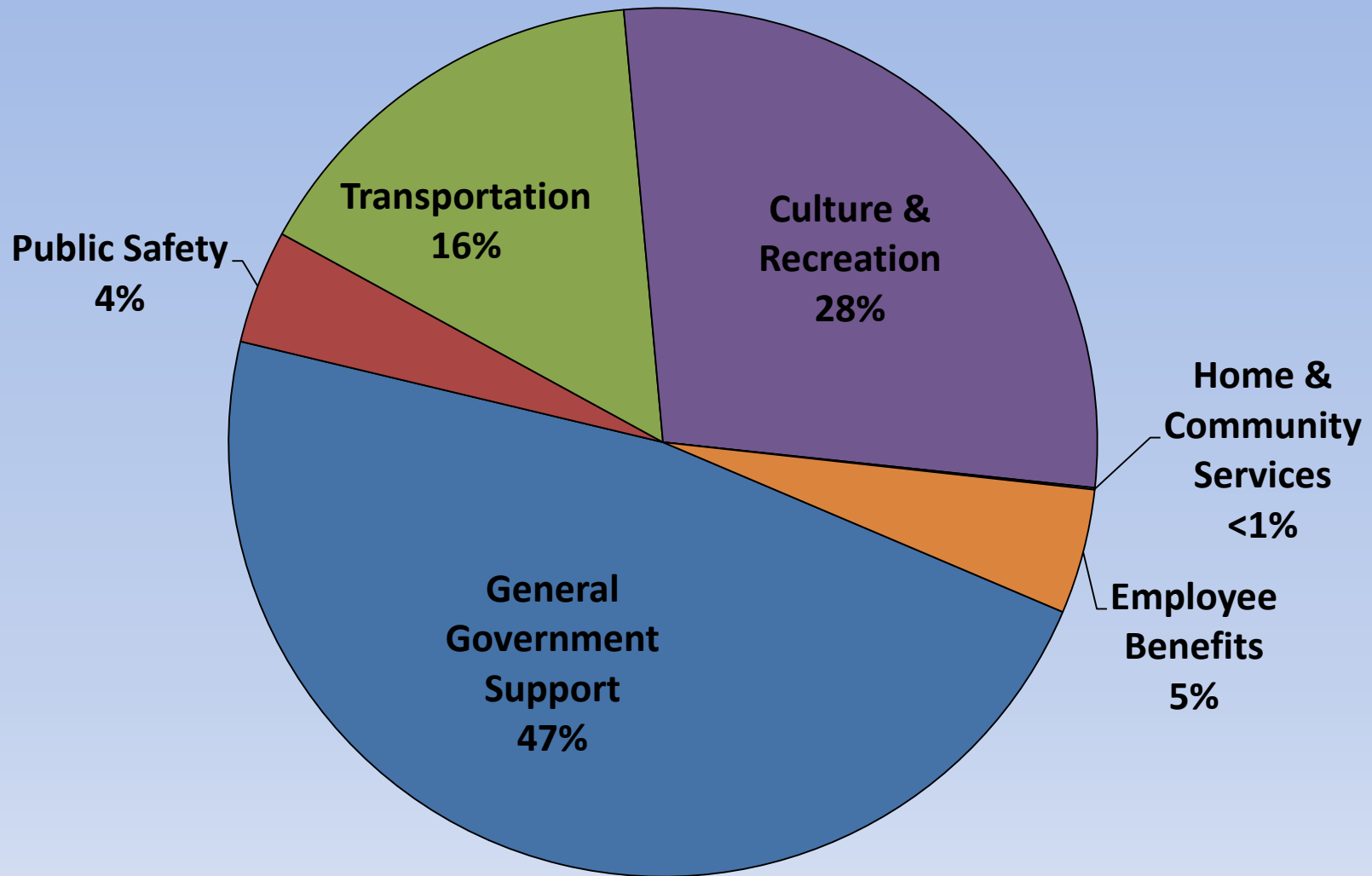
- Safety Inspection - Code Enforcement
- Street Administration
- Youth Program
- Library
- Cemetery maintenance

# Richville Expenditures 2015

Expenditure	Amount
General Government Support (Legislative Board, Mayor, Clerk/Treasurer, Attorney, Elections, Buildings, Municipal Assoc. Dues)	\$30,757
Public Safety (Code Enforcement)	\$2,750
Transportation (Street Admin, Street Lighting)	\$10,133
Culture and Recreation (Youth Program, Library, Historian, Celebrations & Holiday Decorations)	\$18,265
Home and Community Services (Cemetery)	\$46
Employee Benefits - Social Security, Worker's Comp, Unemployment Insurance (Clerk/Treasurer, Legislative Board)	\$3,018
<b>Total</b>	<b>\$64,969</b>

Note: Village expenditures exceeded revenue by \$19,632 in 2015. This was due in part to costs for the purchase of playground equipment and the construction of a pavilion at the playground under the Culture and Recreation Youth Program category (\$11,141). The Village used its fund balance to cover the overage.

# Richville Expenditures 2015: \$64,969



# Richville Municipal Staffing

Position	Staff
Mayor	1 PT
Legislative Board	4 PT
Clerk/Treasurer	1 PT
Historian	1 PT
<b>Total Employees</b>	<b>7 PT</b>

**The Clerk/Treasurer and the Village Board receive the following benefits:**  
Social Security, Workers Compensation Insurance, and Unemployment Insurance

# Richville Employee Personal Services Salary & Benefits

General Fund Personal Services Cost in 2015	
Position	Salary
Mayor	\$0
Village Legislative Board	\$3,400
Clerk/Treasurer	\$6,000
Elections	\$242
Attorney	\$1,500
Historian	\$200
Total Employee Salaries	\$11,342
Total Benefits Paid	\$3,018
Benefits as % of Salary	27%
<b>Total Compensation</b>	<b>\$14,360</b>

- Village Mayor position cost \$1,325 in Equipment & Capital Outlay and Contractual Expenses
- Code Enforcement Officer cost \$2,750 in Contractual Expenses

# De Kalb Funds Summary 2015

Fund	Revenue	Expenditures
General Fund	\$382,826	\$352,071
General Town - Outside Village <sup>1</sup>	\$22,614	\$20,518
Highway - Town-wide (including Village) <sup>2</sup>	\$439,305	\$420,921
Highway - Part-town (not including Village) <sup>3</sup>	\$452,781	\$426,221
Special Grant (Housing Rehabilitation) <sup>4</sup>	\$4	\$0
<b>Total</b>	<b>\$1,297,530</b>	<b>\$1,219,731</b>

<sup>1</sup> Includes items that only apply to Town residents: code enforcement, vital statistics, historical office, youth programs, etc.

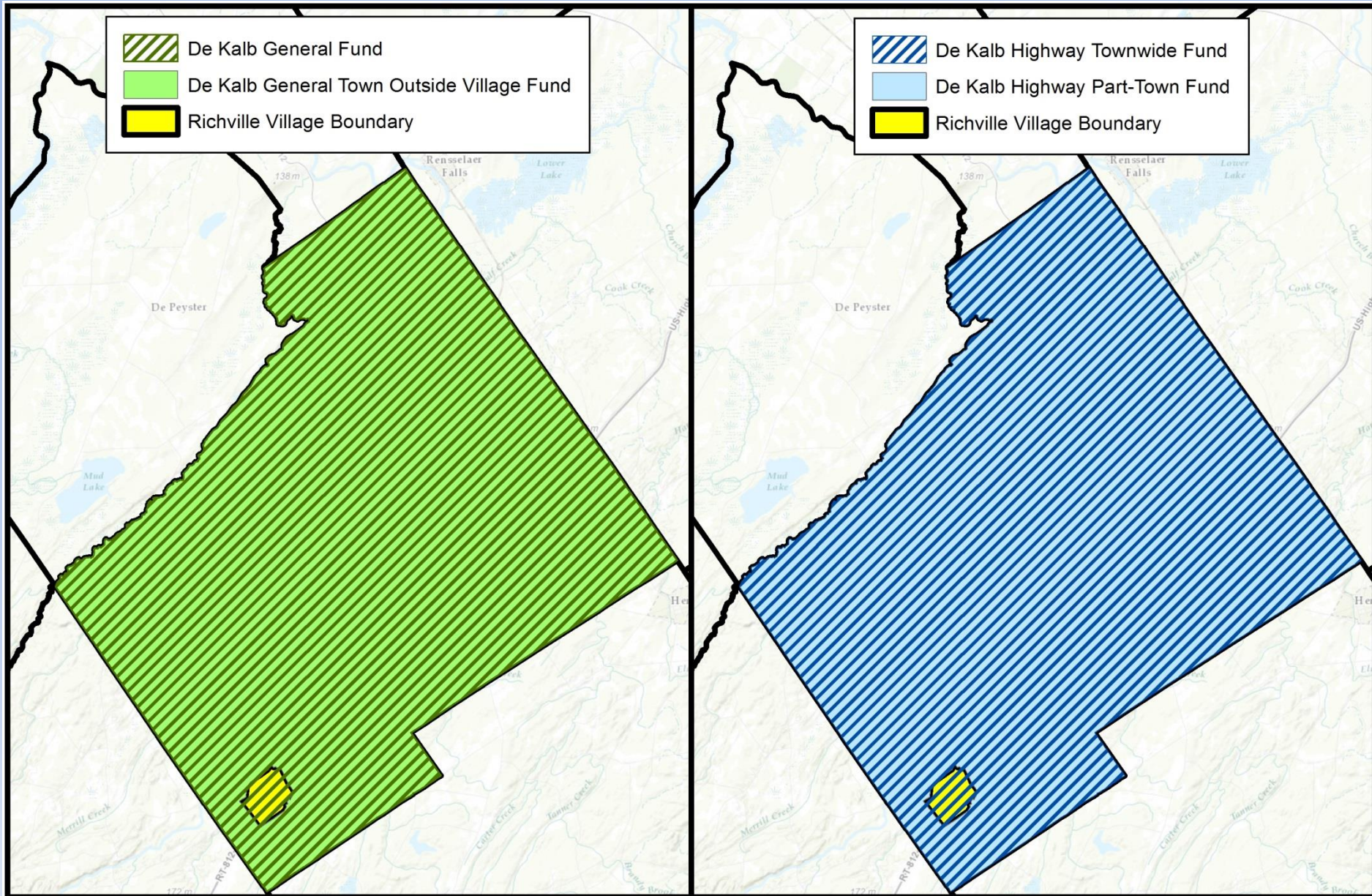
<sup>2</sup> Includes items that apply to the entire town including the Village, like snow removal and general Highway duties

<sup>3</sup> Includes items that apply only to the Town Outside Village, like road repairs, paving, cleaning, etc. The Village contracts this type of work out, either to the Town or to a contractor and is billed for the work

<sup>4</sup> Originally a Community Development Block Grant (CDBG) awarded in the 1994 for housing rehabilitation in the Town. Currently, the fund is set up for low-income residents in the Town who can apply for a loan to rehabilitate their home (new roof, etc.)



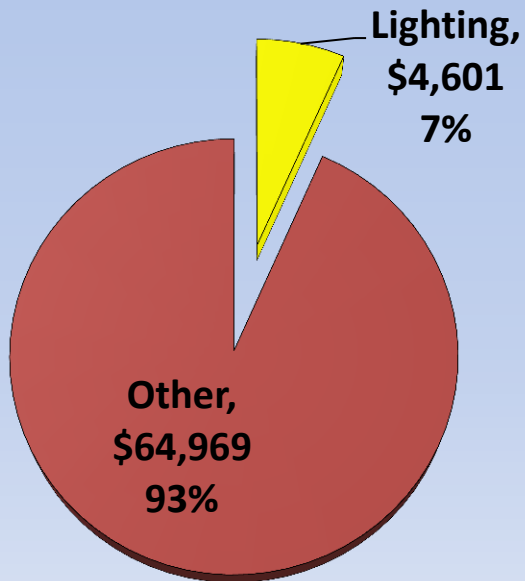
# De Kalb Map of Fund Coverages



# Village Street Lighting

- ❖ All Village residents are taxed for street lighting as part of their Village tax bill
- ❖ The cost of lighting was \$4,601 in the 2015 AUD

**Lighting vs Overall 2015 AUD Expenditures**

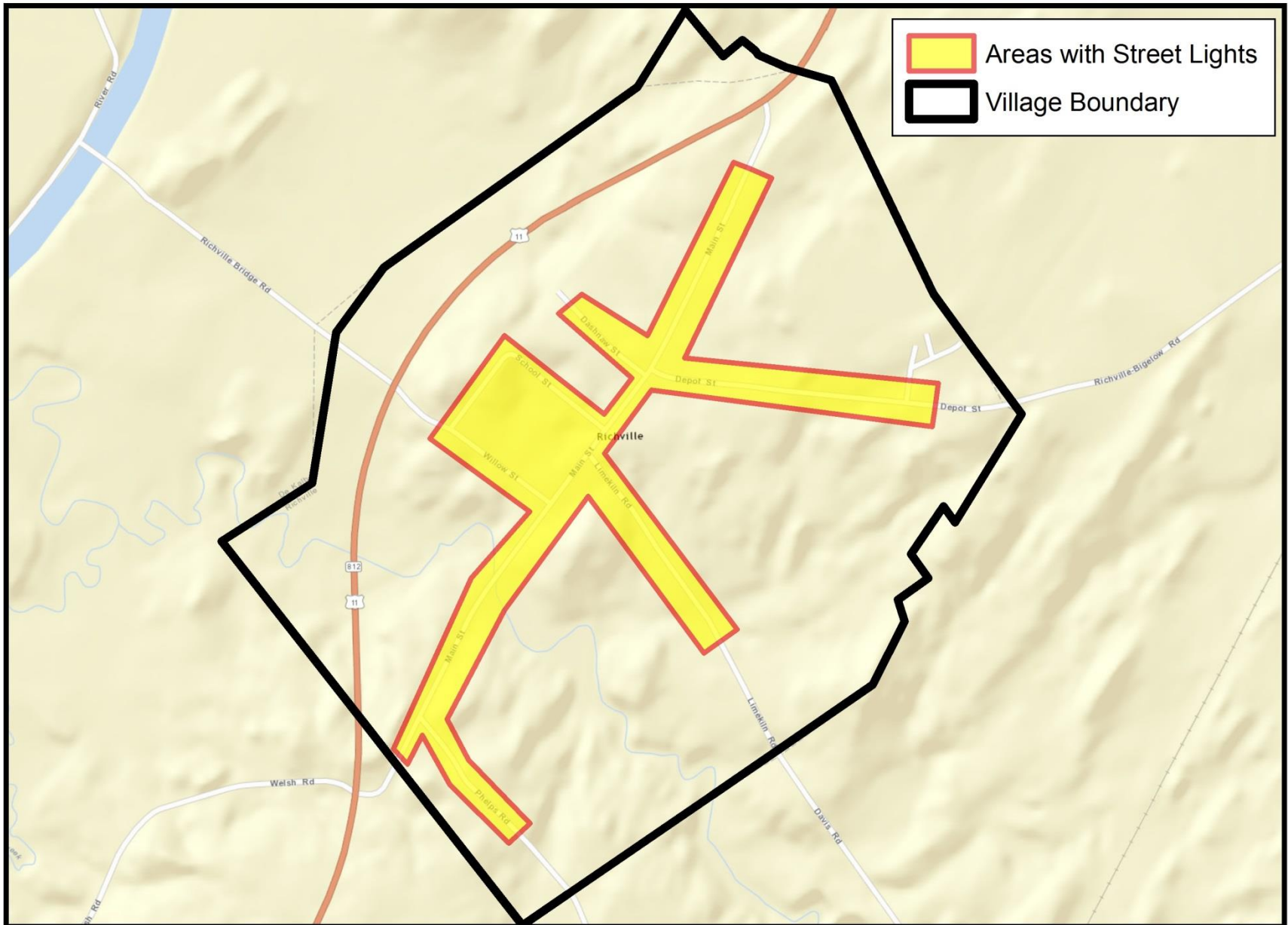


	Lighting	Other	Total
Village Tax	\$0.2989	\$3.9711	\$4.27

Lighting Tax Derived by:  
 $\$4.27 \text{ (2015 Village Tax)} \times 7\% \text{ (\% of General for Lighting)}$



# Village of Richville - Streets with Lighting



# **Dissolution Study**

## ***DRAFT Alternatives Report***

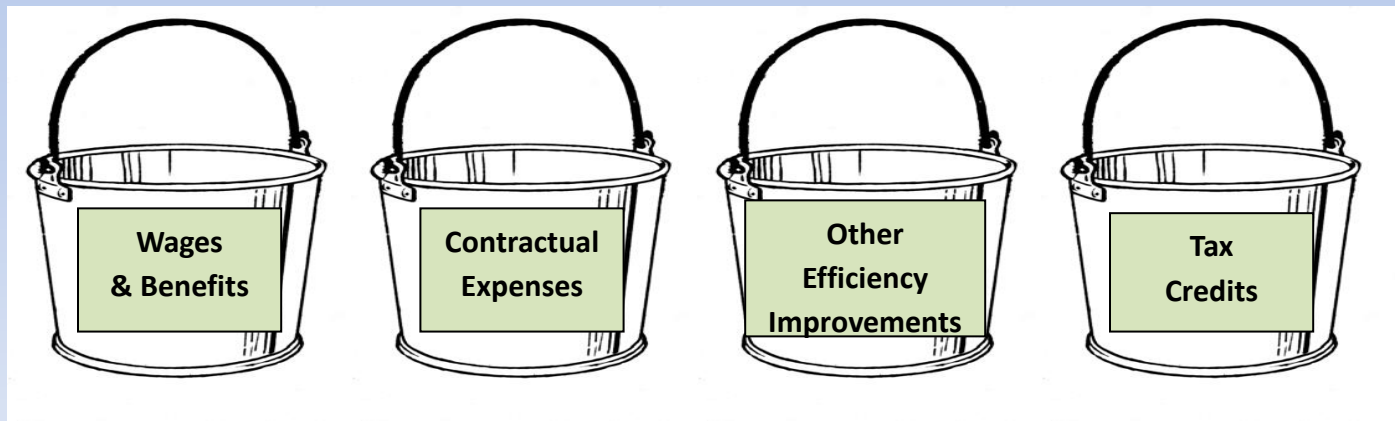
The following is a summary of the DRAFT Alternatives Report.  
The full report and supporting documents are available  
on the Study website.

**[www.danc.org/operations/engineering/village-richville-dissolution-study](http://www.danc.org/operations/engineering/village-richville-dissolution-study)**

# Alternatives Objectives

The Committee will develop a “Base Case” for dissolution and evaluate alternatives outside of dissolution

Task	Status
1. <b>Brainstorm</b> recommendations for alternative delivery of Town services	Complete
2. <b>Categorize</b> recommendations into specific budgets for potential cost savings	Complete
3. <b>Analyze</b> each recommendation: delivery method, cost, and cost savings	Complete
4. <b>Draft Alternatives Report</b> with the recommendations and details	Drafted



# Alternatives - Wages & Benefits

## Summary of Projected Annual Savings from Dissolution

Note: Wages are sourced from 2015 AUDs.

Town Position	Type	Account Code	Summary of Recommended Change	Richville Wages	Richville Benefits	Savings w/ Dissolution
Village Board	Elected	A10101	Positions would be eliminated	\$ 3,400		\$ 3,400
Village Clerk/Treasurer	Appointed	A13251	Position would be eliminated	\$ 6,000		\$ 6,000
Elections	Appointed	A14501	Position would be eliminated	\$ 242		\$ 242
Legal Services	Appointed	A14201	Position would be eliminated	\$ 1,500		\$ 1,500
Historian	Appointed	A75101	Combine with Town and keep costs	\$ 200		\$ -
			Total	\$ 11,342	\$ 3,018	\$ 11,142
			Total Savings from Dissolution in Wages & Benefits			\$ 14,160

# Alternatives - Contractual and Equipment & Capital Outlay

Function	Richville 2015 Annual Cost	DeKalb 2015 Annual Cost	Savings w/ Dissolution	New Town Cost after Dissolution	Basis
Mayor, Cont	\$ 125	\$ -	\$ 125	\$ -	Position would be eliminated
Unallocated Insurance, Cont	\$ 5,758	\$ 22,768	\$ 2,000	\$ 26,526	Insurance estimated to be combined and then reduced by \$2,000
Municipal Association Dues, Cont	\$ 727	\$ 80	\$ -	\$ 807	Combine costs since Village dissolving may mean an increase in Town's dues
Code Enforcement /Safety Inspection , Cont	\$ 2,750	\$ 15,887	\$ -	\$ 18,637	Town Code Enforcement would assume Village responsibilities, so costs are combined
Street Admin, Cont	\$ 5,532	\$ 2,217	\$ -	\$ 7,749	Combine costs, Town assumes responsibility
Youth Program, Cont	\$ 11,141	\$ 205	\$ -	\$ 6,464	Average Village spent over last 5 yrs and combine with Town costs
Library, Cont	\$ 579	\$ 1,500	\$ -	\$ 3,500	Committee recommends \$2,500 plus utilities and insurance (estimated at \$1,000 annually)
Cemetery, Cont	\$ 46	\$ (45)	\$ -	\$ -	Town responsibility
Mayor, Equip & Cap	\$ 1,200	\$ -	\$ 1,200	\$ -	Position would be eliminated
Clerk/Treasurer, Equip & Cap	\$ 820	\$ -	\$ 820	\$ -	Position would be eliminated
Buildings, Equip & Cap	\$ 10,985	\$ 34,660	\$ -	\$ 44,421	Combine costs and subtract \$102/month (\$1,224 annually) as savings from elimination of Village phone line
Street Lighting, Equip & Cap	\$ 4,601	\$ 8,696	\$ -	\$ -	Lighting district will be formed, estimated tax rate \$0.30
Celebrations, Equip & Cap	\$ 6,345	\$ -	\$ -	\$ 2,300	Town to take over responsibility for \$3,000 minus the cost of labor (\$700)
<b>Total</b>	<b>\$ 50,609</b>	<b>\$ 85,968</b>	<b>\$ 4,145</b>	<b>\$ 110,404</b>	<b>Town Costs Increase by \$24,436 after dissolution</b>

# Alternatives - Other Efficiencies?

**The Village and Town already share many services. The Study committee did not find other areas outside of the identified wages, benefits, and contractual services where efficiencies could be implemented.**

# Alternatives - Sales Tax Revenue

## If dissolution occurred:

- The sales tax revenue that the Village applies against their County levy would go to the Town as revenue.
  - Sales tax revenue is calculated based on population and assessed values. If the Village dissolved, the population and assessed value of the former Village area would just be included in the Town “pot”, and sales tax revenue would be calculated by the County accordingly.
  - Revenue from sales tax changes annually

# Alternatives - CETC

- The Citizens Re-Organization Empowerment Grant (CREG) program assists local governments with dissolution or consolidation. Local governments that complete a municipal re-organization project are eligible for the Citizens Empowerment Tax Credit (CETC). This funding is a separate source of additional annual aid that is awarded in amounts equal to 15% of the combined real property taxes levied by all of the cities, towns, and villages that participated in the re-organization.

	Village	Town	Total
Actual Tax Levy 2015 Village 2016 Town	\$29,545	\$497,188	\$526,733
Annual <b>Citizens Empowerment Tax Credit</b> (CETC) 15% of Total Tax Levy	-	-	\$79,010



# Study Findings and Conclusion

After the committee evaluated the Existing Conditions and Alternatives, the projected savings and tax credits that would result from Village dissolution were calculated to find out what the tax impacts would be if the Village dissolved.

The following is a summary of these conclusions.

# If the Village were to Dissolve: Tax Levy

1. The Village and Town tax levies would be combined
2. The CETC is subtracted from the total tax levy
3. The savings from Wages & Benefits and Contractual Expenses is subtracted
4. Sales Tax Revenue is subtracted
5. **The Town tax levy is reduced to \$380,799, which will reduce the Town tax rate**

		Village	Town	Total
1	Actual Tax Levy (2015)	\$29,545	\$497,188	<b>\$526,733</b>
2	Annual Citizens Empowerment Tax Credit	-	-	\$79,010
3	Savings from Wages & Benefits and Contractual Expenses	-	-	\$18,305
4	Sales Tax Revenue from Village applied to Town	-	-	\$48,619
5	<b>Town Tax Levy if Village Dissolves &amp; 100% Citizens Empowerment Tax Credit is Applied</b>	-	-	<b>\$380,799</b>

# If the Village were to Dissolve: Tax Rates

“Before” 2015 Tax Rates			“After” Post Dissolution Tax Rates		
	Village	TOV		Village	TOV
County	2.62	8.53	County	8.53	8.53
Townwide	4.37	4.37	Town	3.29	3.29
Part Town	-	0.14	(eliminated)	-	-
Village	4.27	-	Richville Lighting District	0.30	-
Town Chargebacks Townwide	0.37	0.37	Town Chargebacks	0.76	0.76
Town Chargebacks Town Only	-	0.39	(combined with Town Chargebacks)	-	-
<b>Total</b>	<b>11.63</b>	<b>13.80</b>	<b>Total</b>	<b>12.88</b>	<b>12.58</b>

The Village taxpayers would see a \$1.25 per \$1,000 of assessed value **increase (11%)**.  
The TOV taxpayers would see a \$1.22 per \$1,000 of assessed value **decrease (9%)**.

# If the Village were to Dissolve: Tax Rates

## The County Tax Impact

“Before” 2015 Tax Rates			“After” Post Dissolution Tax Rates		
	Village	TOV		Village	TOV
County	2.62	8.53	County	8.53	8.53

In most circumstances, Village and Town taxpayers pay the same County tax rate, but this is not the case in Richville and DeKalb. In 2015, the TOV taxpayers paid a County rate of \$8.53 per \$1,000 of assessed value; the Village taxpayers paid a County rate of \$2.62. The Village pays less because they apply their portion of sales tax revenue against the County levy, reducing their tax rate dramatically.

The Village sales tax revenue was \$48,619 in 2015. If the Village dissolved, the Village’s sales tax revenue would go to the Town. The taxpayers in the Village would then pay the same County rate as the rest of the Town.

**This is significant because it raises the County tax rate  
for Village taxpayers by \$5.91.**

# Conclusion

The tax increase for Village residents is mostly due to the County tax increase, which cancels out all of the savings achieved from dissolution and the subsequent reduction of the Town tax rate.

In fact, in order for Village taxpayers to have a \$0 increase in taxes post dissolution, there would need to be an additional \$145,000+ in savings and/or tax credits, which is not feasible.

Due to these tax impacts,  
the Study Committee recommends that the  
Village not move forward with dissolution.

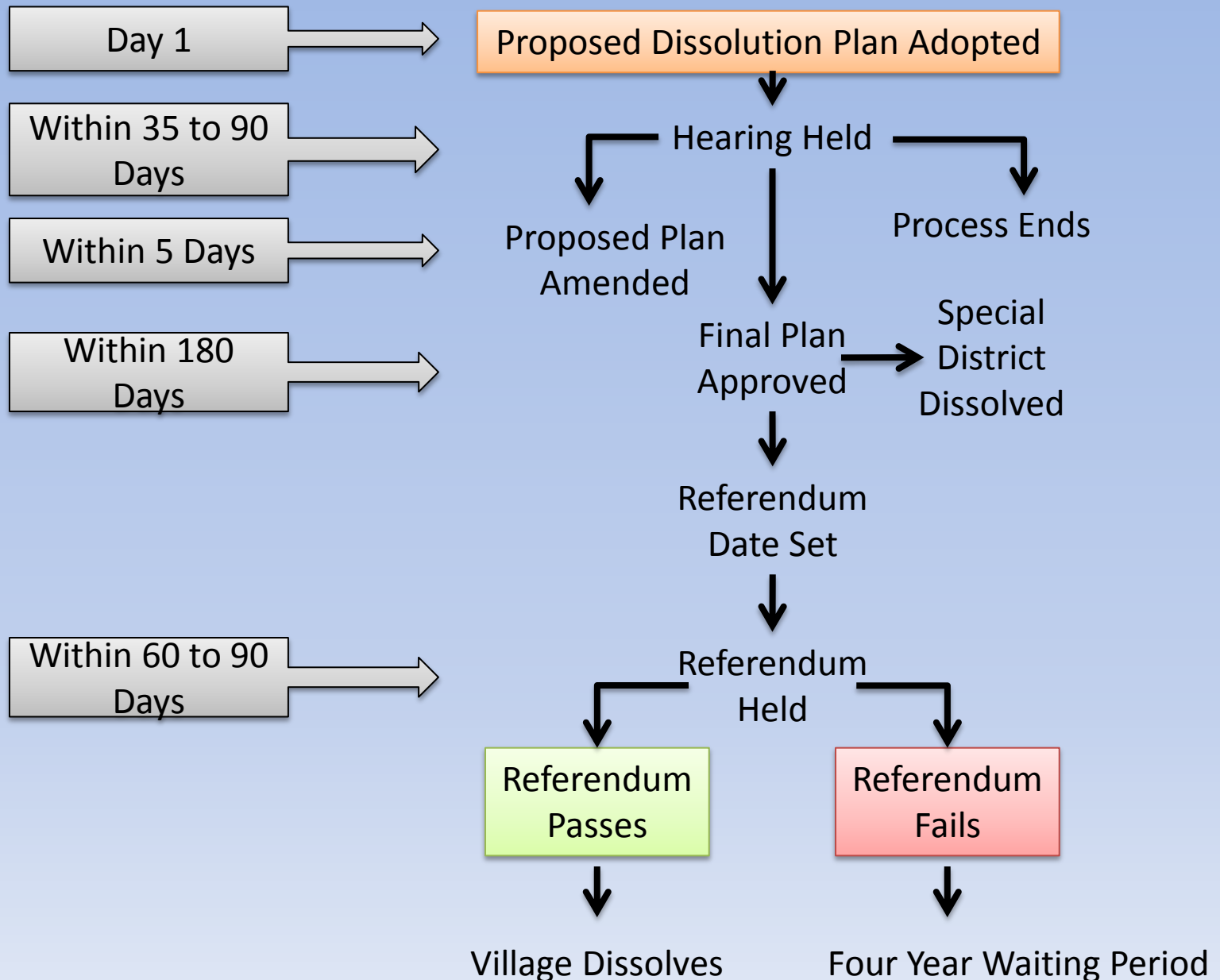
# Conclusion

The Study Committee does recommend that the Village explore some alternatives to identified current services to determine if there would be cost savings. These recommendations are detailed in the Alternatives Report and summarized below:

1. Elections - research any cost savings achieved through moving March elections to general elections in November
2. Legal Services - research opportunities to share legal services with the Town or bid out for lower rates
3. Code Enforcement/Safety Inspection - research utilizing an intermunicipal agreement to share these services with another municipality
4. Youth Program - consider forming a Joint Youth Commission with the Town to manage program
5. Celebrations/Decorations - consider less expensive labor sources to install and remove annual decorations

# Board-Initiated Dissolution Process

(if the recommendation had been to pursue dissolution)





# Questions or Comments?



**Thank you for attending the Public Informational Meeting**

**Please visit the Study Website at:**

**[www.danc.org/operations/engineering/village-richville-dissolution-study](http://www.danc.org/operations/engineering/village-richville-dissolution-study)**

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