

Village of Harrisville

Dissolution Study

Existing Conditions: Municipal Financials & Services
2-21-17



Visit the website: www.danc.org/operations/engineering/village-harrisville-dissolution-study

Introduction and Notes

This presentation summarizes the Revenues, Expenses, Tax Levies and other financial information for Harrisville and Diana. The information in this presentation is sourced from Fiscal Year 2016 Annual Update Documents (AUDs), Open Book NY, and the Lewis County Real Property office, unless otherwise noted. Copies of the AUDs are available for review on the Harrisville Dissolution Study website under the “Reference Documents” section. The Village fiscal year is June-May, so the Village Fiscal Year 2016 figures are current to 5/31/16. The Town fiscal year is January-December, so the Town Fiscal Year 2016 figures are current to 12/31/16.

This study only includes figures and discussion for the following Property Tax Items: Village Tax, Town Taxes, and Highway Taxes. These tax items are charged at the same rate to all property owners either in the Village or the Town. County taxes and School taxes are not affected by efficiencies or consolidation, and therefore are not included in this study. This study also does not include figures or discussion pertaining to water services, because these services are provided through special districts that only include the taxpayers within the respective special district. Village dissolution does not affect special districts.

Explanation of Real Property Taxes

Since the Village and Town's largest revenue source is from Real Property Taxes, the following 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"

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

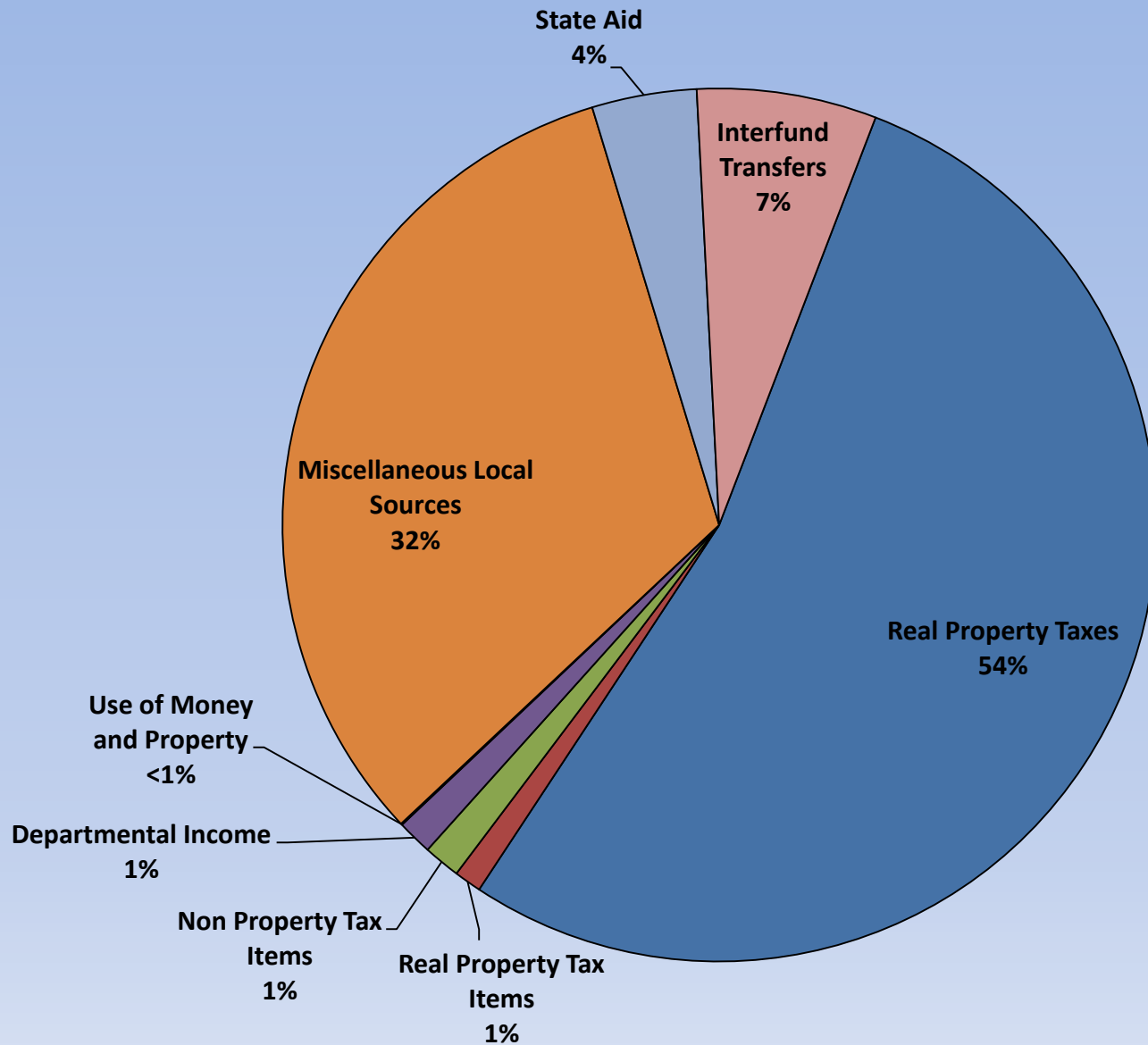
Tax Rates are subject to change each year due to changes in:
- Budgets - Revenue - Total taxable assessed value

Harrisville Revenues 5/31/16

The majority of the Village's revenue comes from real property taxes. The second largest revenue source is Miscellaneous Local Sources, which includes Consolidated Highway Aid (CHIPS) and Harrisville Fire Department income from Diana and Pitcairn.

Revenue Source	Total
Real Property Taxes	\$200,751
Real Property Tax Items Interest & Penalties on Real Property Taxes	\$3,804
Non Property Tax Items Franchises - municipal imposed fees on cable television and telecommunications company gross revenue	\$5,125
Departmental Income Other General Departmental Income: softball league deposit, sidewalk repair reimbursement, 1-time County tax share; Park and Rec Charges: income from Diana and Pitcairn for playground maintenance; Other Cultural and Recreation Income: refund from State for state-owned land and an insurance adjustment from Eastern Shore municipal insurance; Zoning Fees	\$4,896
Use of Money and Property Interest & Earnings	\$189
Miscellaneous Local Sources CHIPS - \$32,286, Harrisville Fire Department Income : Diana \$63,022 and Pitcairn \$26,065	\$121,373
State Aid Revenue Sharing, Mortgage Tax	\$14,565
Interfund Transfers	\$25,000
Total Revenues	\$375,703

Harrisville Revenues 5/31/16: \$375,703



How does the Village spend this Revenue?

Municipalities report expenditures to the State in the 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

Harrisville Municipal Services and Expenses include:

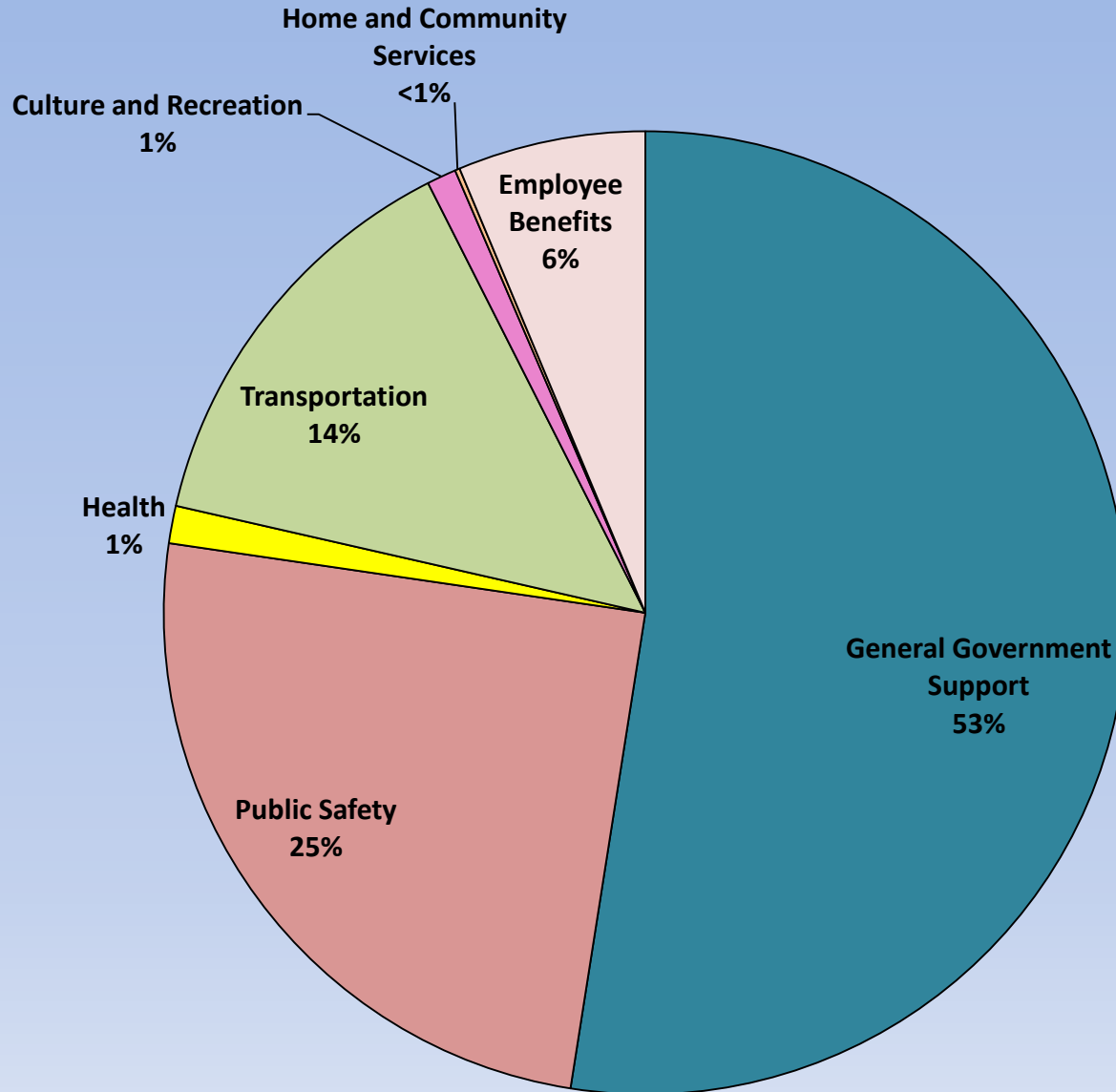
- Mayor
- Legislative Board
- Clerk/Treasurer/Tax Collector
- Law
- Engineer
- Department of Public Works
- Buildings Maintenance
- Central Garage - New DPW building, tools, fuel, equipment repair
- Unallocated Insurance
- Other General Government - Zoning Officer
- Fire Services
- Registrar of Vital Statistics
- Historian
- Insect Control
- Maintenance of Streets & Permanent Highway Improvements
- Garage - Gas & Oil
- Street Lighting
- Playground and Recreational Centers
- Youth Program
- Celebrations - Fireworks
- Adult Recreation - Senior Citizens Club
- Garbage Services for Village municipal waste

Harrisville Expenditures 5/31/16

Expenditure	Amount
General Government Support Legislative Board, Mayor, Treasurer, Tax Collection, Legal Services, Engineer, Public Works Administration, Buildings, Central Garage, Unallocated Insurance, Other General Government (Zoning Officer)	\$245,694
Public Safety Workers Comp: \$1,421; Village FD Vehicle Fund: \$4,500; Village FD Contract: \$12,374; Village FD turnout gear: \$2,012; Diana FD O&M: \$29,010; Diana FD Vehicle Fund: \$34,012; Pitcairn FD O&M: \$11,489; Pitcairn FD Vehicle Fund: \$14,576; Village Rescue Services Payment: \$4,805; Village Ambulance Payment: \$2,015.	\$116,214
Health Registrar of Vital Statistics, Historian, Insect Control	\$5,883
Transportation Maintenance of Streets, Permanent Improvements Highway, Garage - Gas and Oil, Street Lighting	\$65,448
Culture and Recreation Playground & Rec Centers, Youth Program, Celebrations, Adult Recreation	\$4,621
Home and Community Services Refuse and Garbage	\$750
Employee Benefits	\$29,510
Total	\$468,120

Note: when municipal expenditures exceed revenue, fund balances are used to cover costs.

Harrisville Expenditures 5/31/16: \$468,120

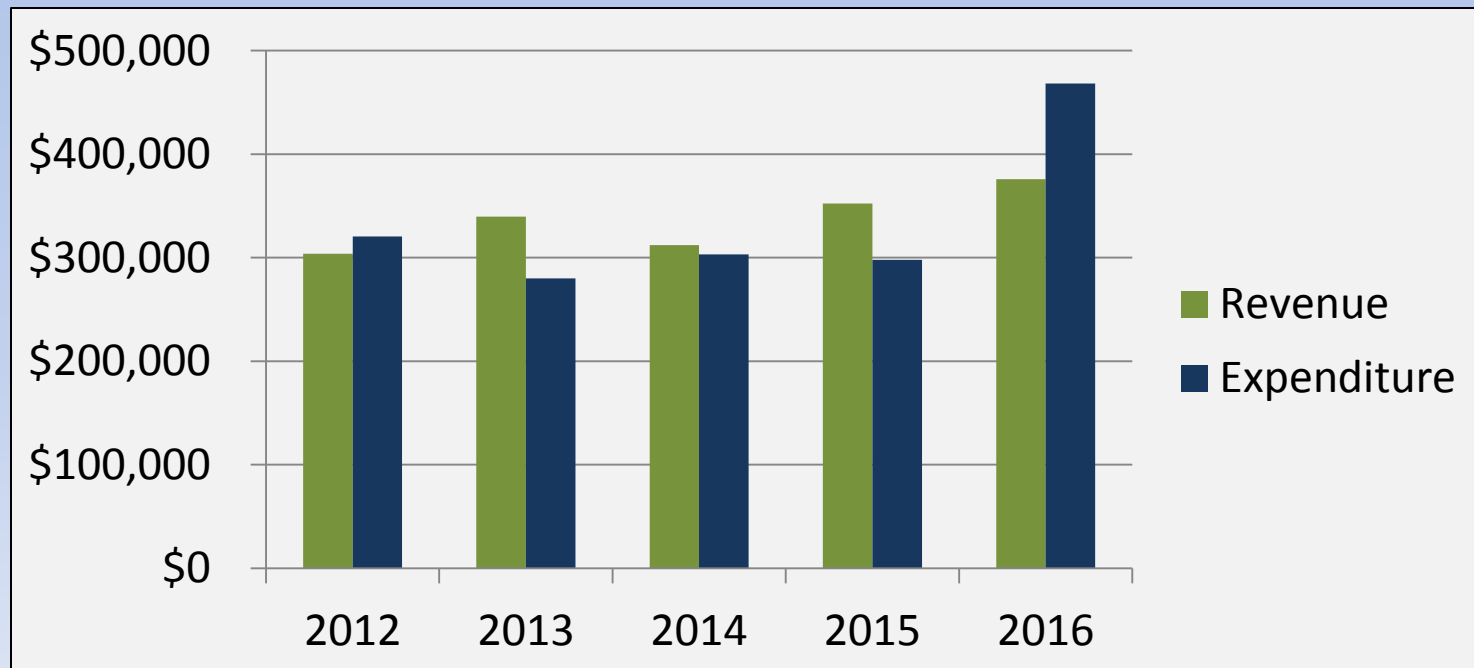


Harrisville Employee Personal Services Salary & Benefits

General Fund Personal Services Cost in 2016	
Position	Salary
Mayor	\$3,500
Village Legislative Board	\$3,281
Clerk/Treasurer	\$13,560
Department of Public Works	\$62,033
Zoning Officer	\$500
Registrar of Vital Statistics (\$183), Historian (\$300)	\$483
Total Employee Salaries	\$83,357
Total Benefits Paid	\$38,325
Benefits as % of Salary	46%
Total Compensation	\$121,682

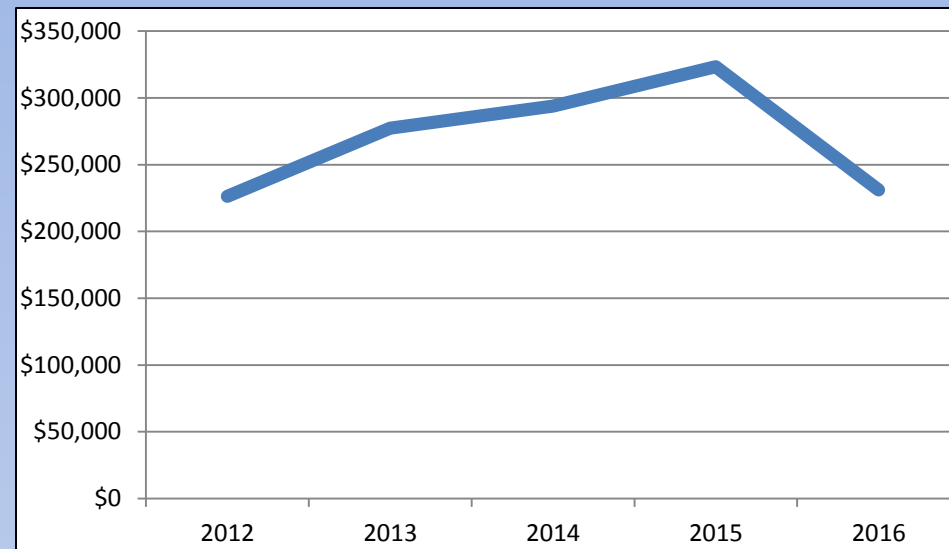
Harrisville Village Revenues and Expenditures Trend

Harrisville Fiscal Year	Village Revenue	Village Expenditure
6/1/11 - 5/31/12	\$303,816	\$320,411
6/1/12 - 5/31/13	\$339,661	\$280,135
6/1/13 - 5/31/14	\$312,194	\$303,273
6/1/14 - 5/31/15	\$352,218	\$298,043
6/1/15 - 5/31/16	\$375,703	\$468,120



Harrisville Fund Balance Trend

Harrisville Fiscal Year	Fund Balance
6/1/11 - 5/31/12	\$226,422
6/1/12 - 5/31/13	\$277,388
6/1/13 - 5/31/14	\$293,852
6/1/14 - 5/31/15	\$323,429
6/1/15 - 5/31/16*	\$231,012

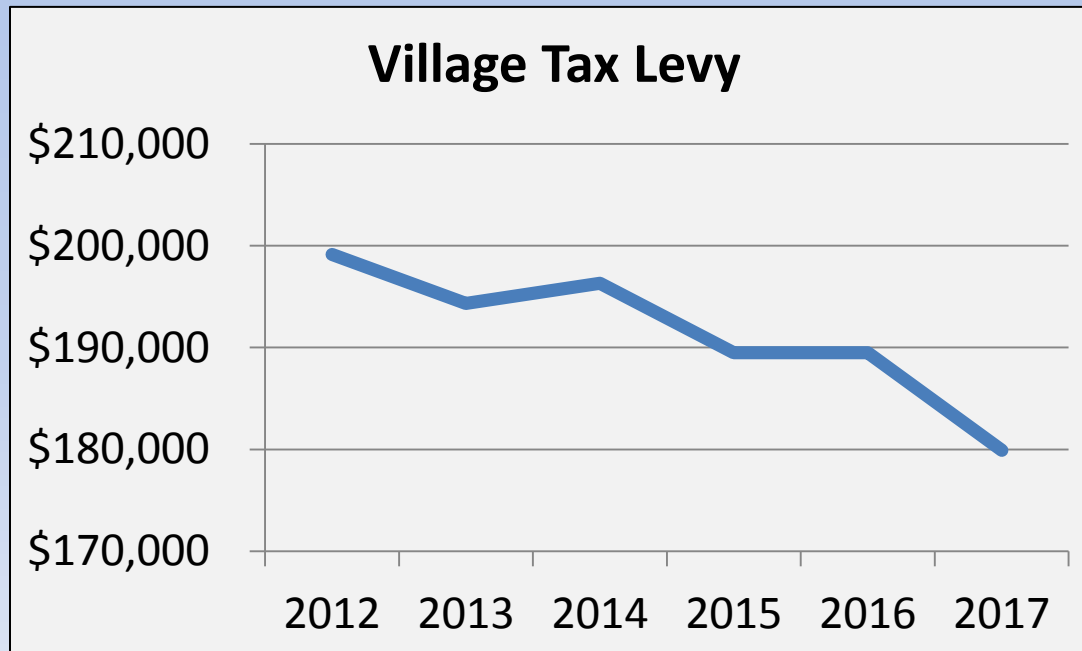


*In 2016, Harrisville expenditures exceeded revenues. Harrisville used part of its fund balance to cover construction costs for the new DPW building. This was a planned expense.

Unexpended Fund Balances can be credited back to respective Village taxpayers in the year before dissolution takes effect or used to pay down existing debt.

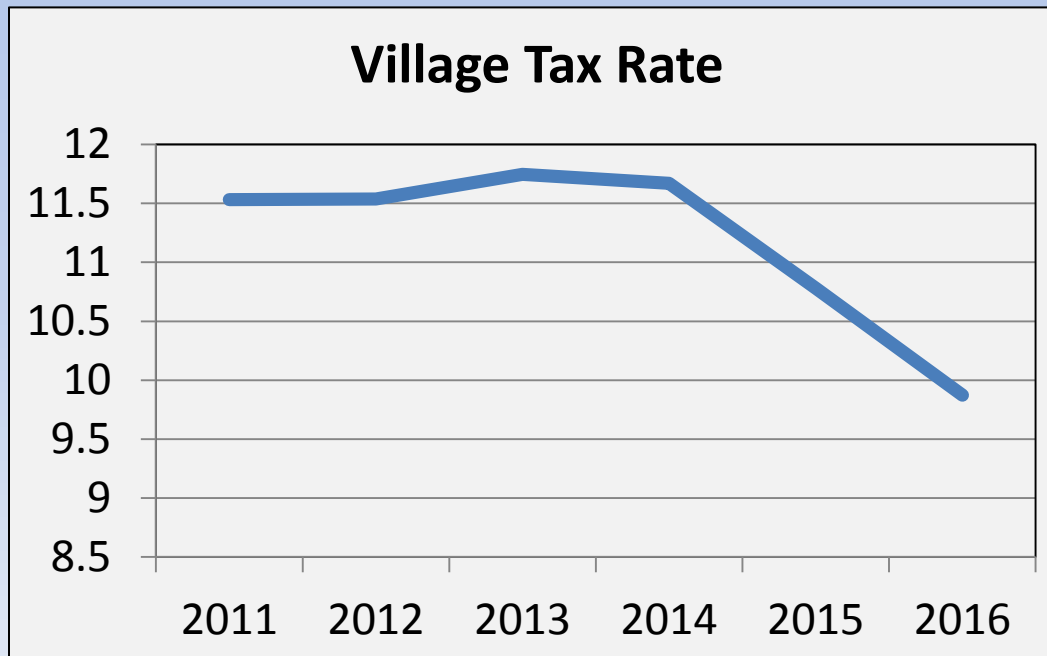
Harrisville Tax Levy Trend

Harrisville Fiscal Year	Tax Levy
6/1/11 - 5/31/12	\$199,146
6/1/12 - 5/31/13	\$194,345
6/1/13 - 5/31/14	\$196,327
6/1/14 - 5/31/15	\$195,386
6/1/15 - 5/31/16	\$189,489
6/1/16 - 5/31-17	\$179,919



Harrisville Village Tax Rate Trend

Harrisville Fiscal Year	Village Tax Rate (per \$1,000 of assessed value)
6/1/11 - 5/31/12	11.531739
6/1/12 - 5/31/13	11.535985
6/1/13 - 5/31/14	11.746590
6/1/14 - 5/31/15	11.669860
6/1/15 - 5/31/16	10.778887
6/1/16 - 5/31/17	9.874561



Diana Funds Summary 12/31/16

Fund	Revenue	Expenditures
General Fund	\$284,735	\$270,916
General Town - Outside Village ¹	\$4,750	\$6,363
Highway - Town-wide (including Village) ²	\$268,543	\$238,414
Highway - Part-town (not including Village) ³	\$260,628	\$331,173
Bridge DB Fund ⁴	\$0	\$0
Fire Protection (Harrisville FD, Harrisville Rescue Squad, Natural Bridge FD)	\$103,199	\$103,199
Lighting (Natural Bridge)	\$300	\$352
Total	\$922,155	\$950,417

1. Includes items that only apply to Town residents: public health, registrar of vital statistics, playground and rec centers, joint recreation program, joint youth program.

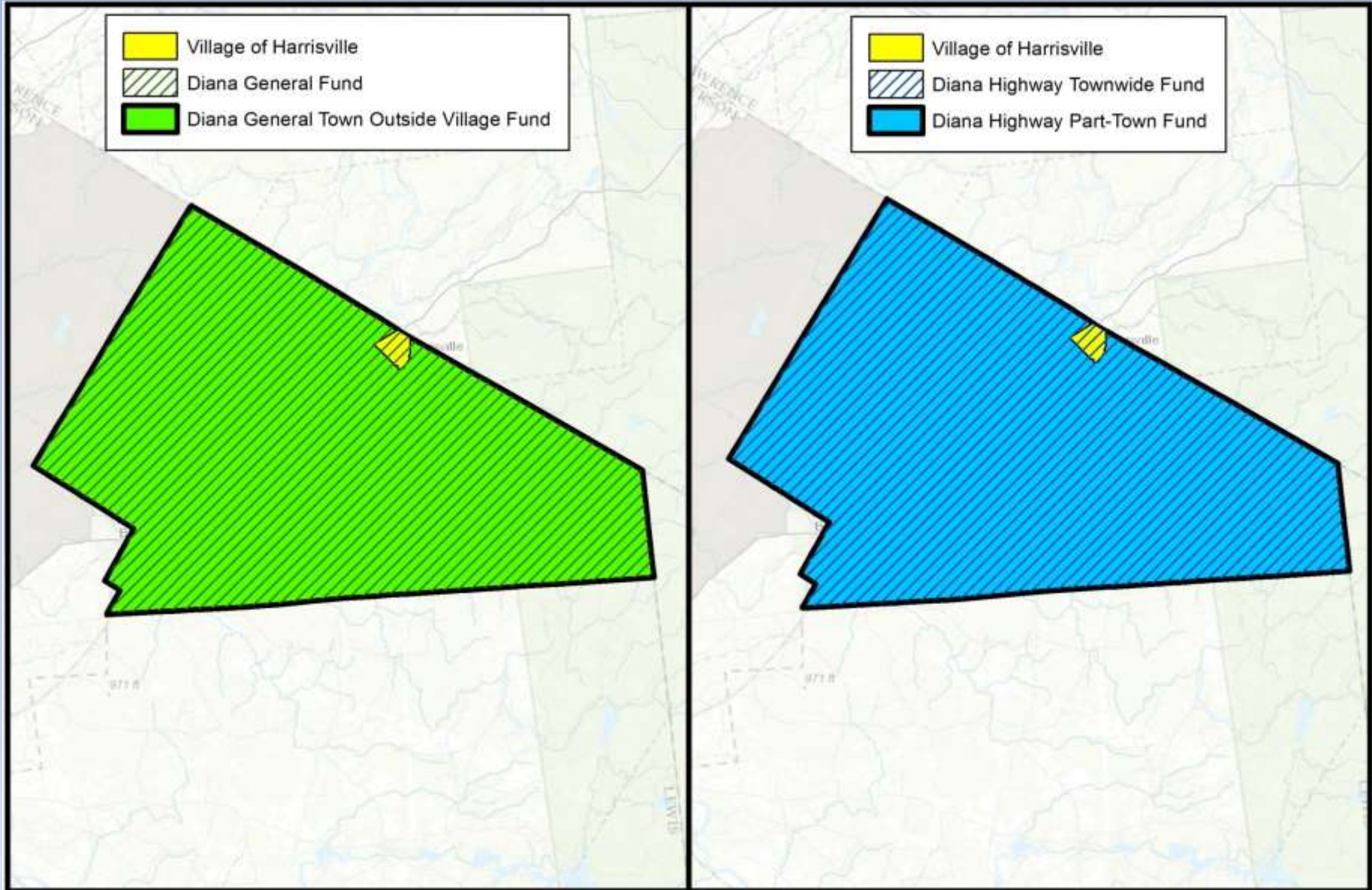
2. Includes items that apply to the entire town including the Village: machinery, snow removal, and general Highway duties.

3. Includes items that apply only to the Town Outside Village: road repairs and paving, and brush and weed control, and the bridge bond payment that is reimbursed from CHIPS. The Town used the fund balance to cover the costs for the 2016 bridge payment of \$100,000.

4. The Town reimburses its Bridge Fund with CHIPS money when it is received by the State. The FYE16 AUD also includes a section called Capital Projects that duplicates the Bridge DB Fund accounting.

Note: when municipal expenditures exceed revenue, they may use fund balances to cover costs.

Diana Map of AUD Fund Coverages

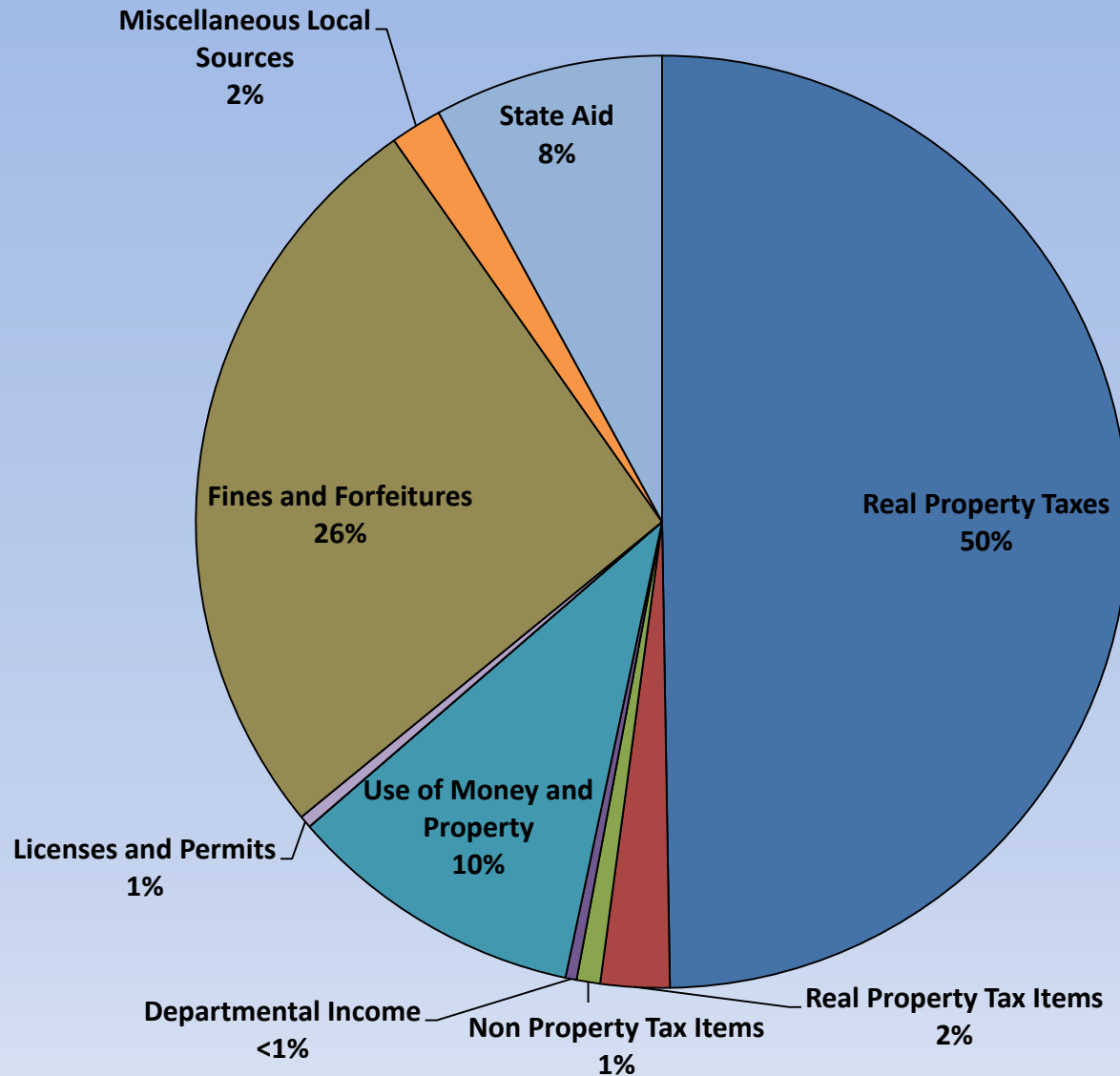


Diana General Fund - Revenues 12/31/16

Applies to entire Town, including Village of Harrisville

General Fund Revenue Source	Amount
Real Property Taxes	\$141,602
Real Property Tax Items	\$6,814
Non Property Tax Items Franchises	\$2,320
Departmental Income Clerk Fees, Dog Control Fees/Public Pound, Refuse & Garbage Charges	\$1,103
Use of Money and Property Rental of Real Property	\$29,409
Licenses and Permits Dog Licenses	\$1,218
Fines and Forfeitures Bail	\$74,507
Miscellaneous Local Sources Unclassified	\$5,115
State Aid Revenue Sharing, Mortgage Tax, Real Property Tax Administration	\$22,648
Total	\$284,735

Diana General Fund - Revenues 12/31/16: \$284,735

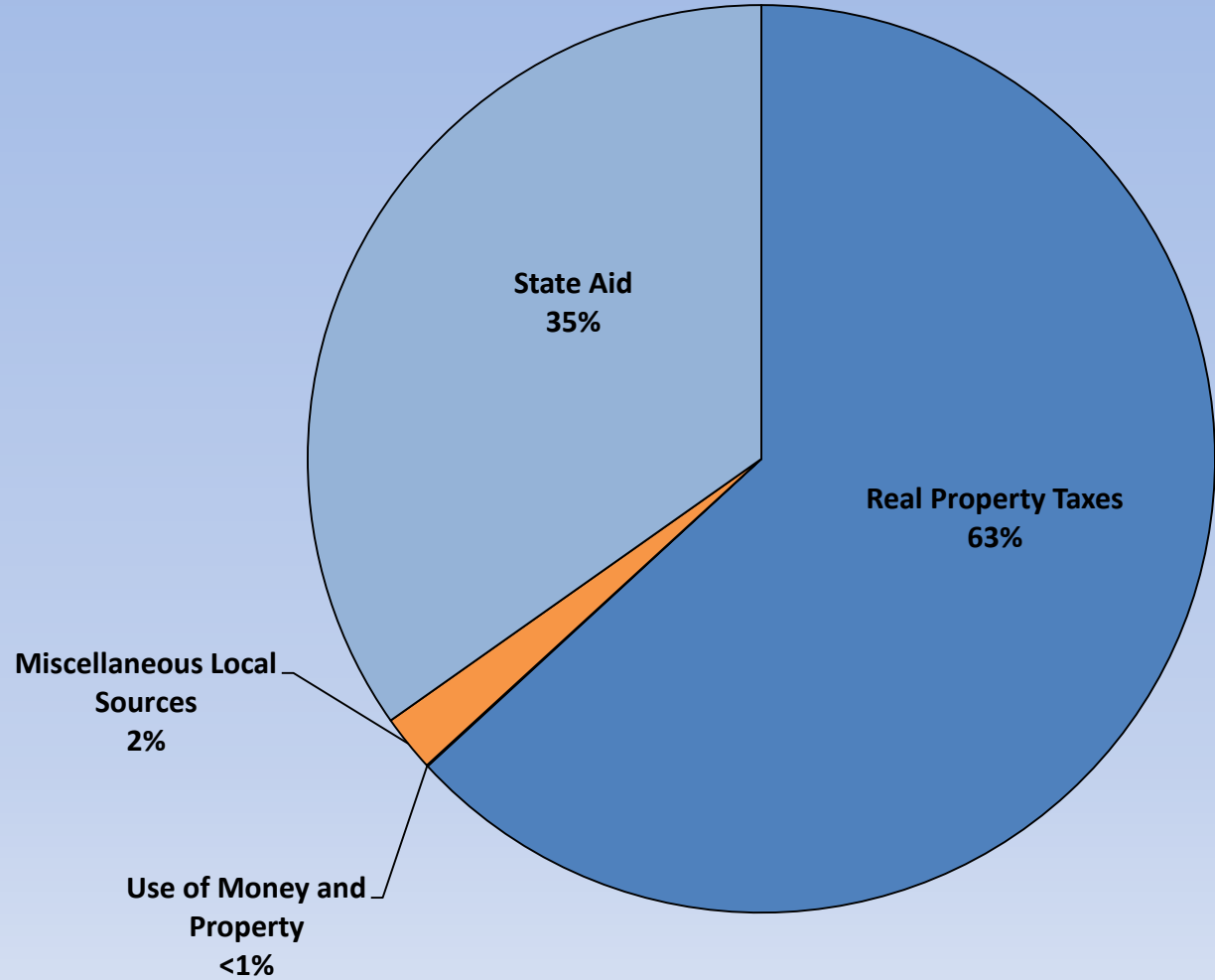


Diana General Town Outside Village - Revenues 12/31/16

Applies only to Town, excluding Village of Harrisville

General Fund Revenue Source	Amount
Real Property Taxes	\$3,000
Use of Money and Property Interest & Earnings	\$2
Miscellaneous Local Sources Commercial Cutting Harvest	\$96
State Aid Youth Program	\$1,652
Total	\$4,750

Diana General Town Outside Village - Revenues 12/31/16: \$4,750

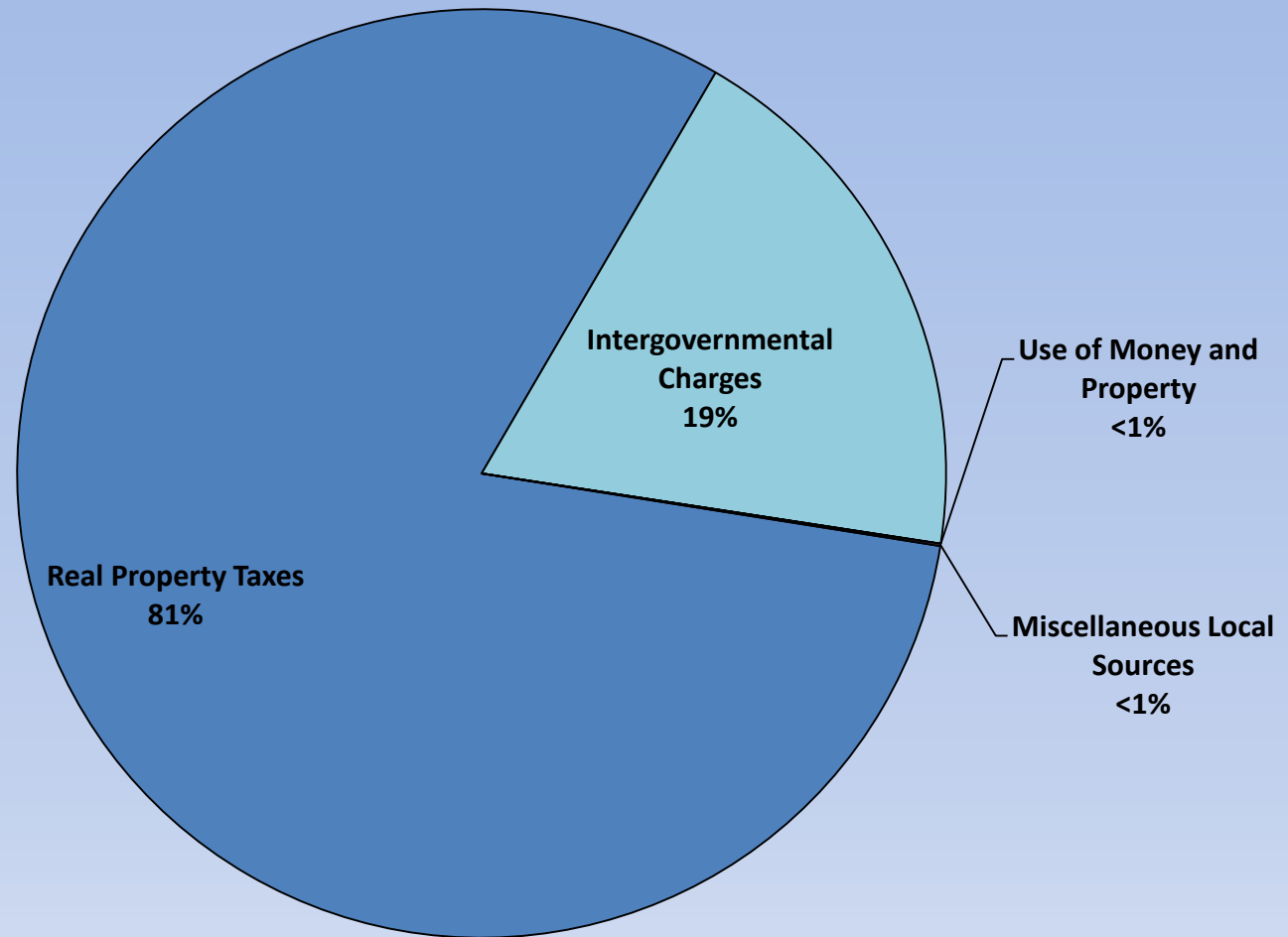


Diana Highway Townwide- Revenues 12/31/16

Applies to entire Town, including Village of Harrisville

General Fund Revenue Source	Amount
Real Property Taxes	\$217,268
Intergovernmental Charges Transportation Services, Other Governments	\$51,047
Use of Money and Property Interest & Earnings	\$26
Miscellaneous Local Sources Unclassified	\$202
Total	\$268,543

Diana Highway Townwide- Revenues 12/31/16: \$268,543

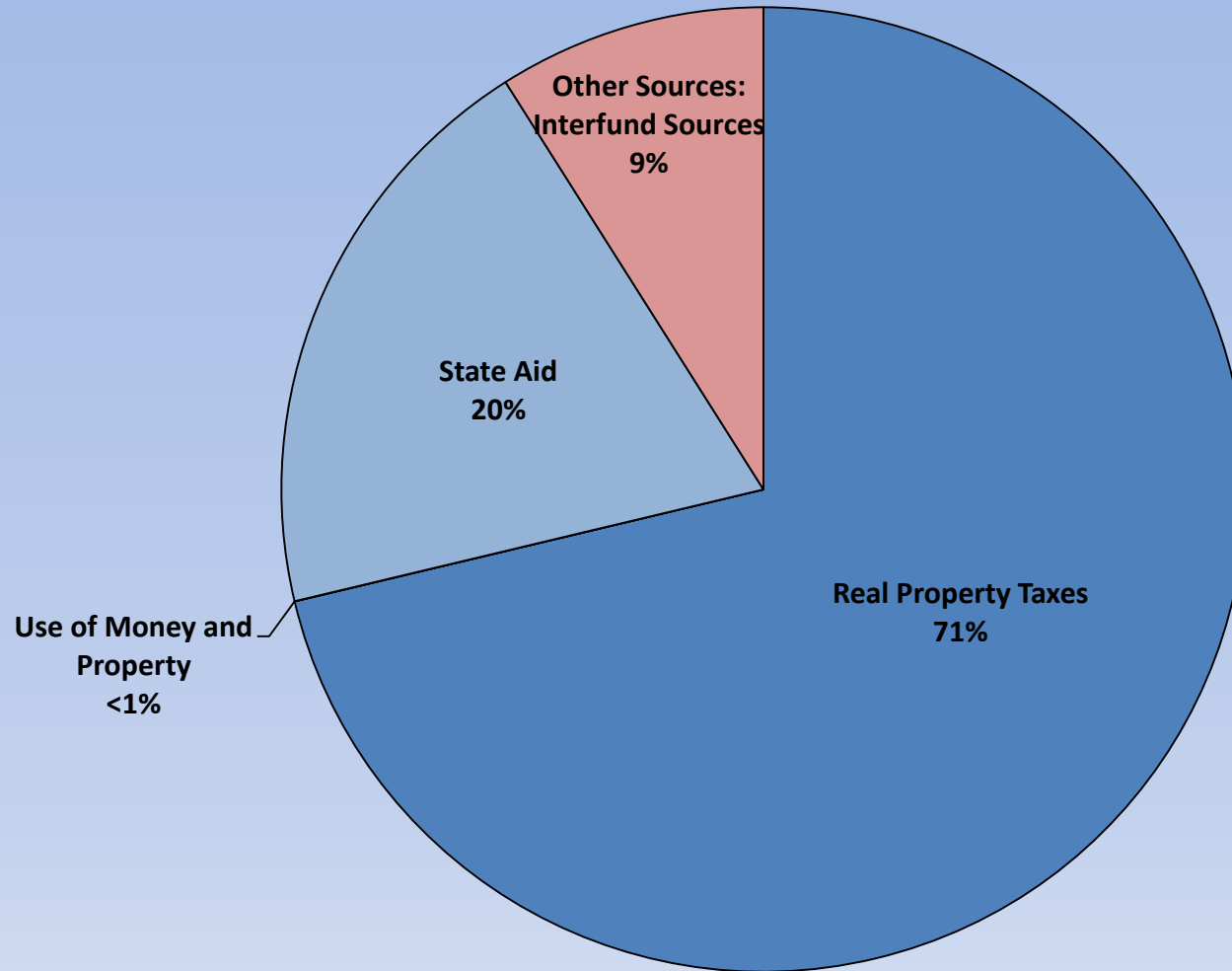


Diana Highway Part Town - Revenues 12/31/16

Applies only to Town, excluding Village of Harrisville

General Fund Revenue Source	Amount
Real Property Taxes	\$185,749
Use of Money and Property Interest & Earnings	\$16
State Aid CHIPS	\$51,441
Other Sources: Interfund Sources	\$23,422
Total	\$260,628

Diana Highway Part Town - Revenues 12/31/16: \$260,628



How does the Town spend this Revenue? Town Services

The following expenses and services are applied to all Diana Town residents, including the Village:

- Supervisor
- Legislative Board
- Town Clerk
- Municipal Court
- Auditor
- Budget
- Purchasing - Board of Assessment Review
- Assessor
- Law
- Buildings
- Central Garage
- Central Print and Mail
- Unallocated Insurance
- Municipal Association Dues
- Animal Control
- Street Administration
- Garage
- Program for Aging
- Museum - Art Gallery
- Historian
- Refuse and Garbage
- Cemetery
- Highway Machinery
- Snow Removal

The following expenses and services are applied only to Diana Town Outside Village residents:

- Public Health Officer
- Registrar of Vital Statistics
- Playground & Rec Centers
- Joint Recreation Project
- Joint Youth Program
- Maintenance of Streets
- Permanent Highway Improvements - Paving
- Brush and Weed Control

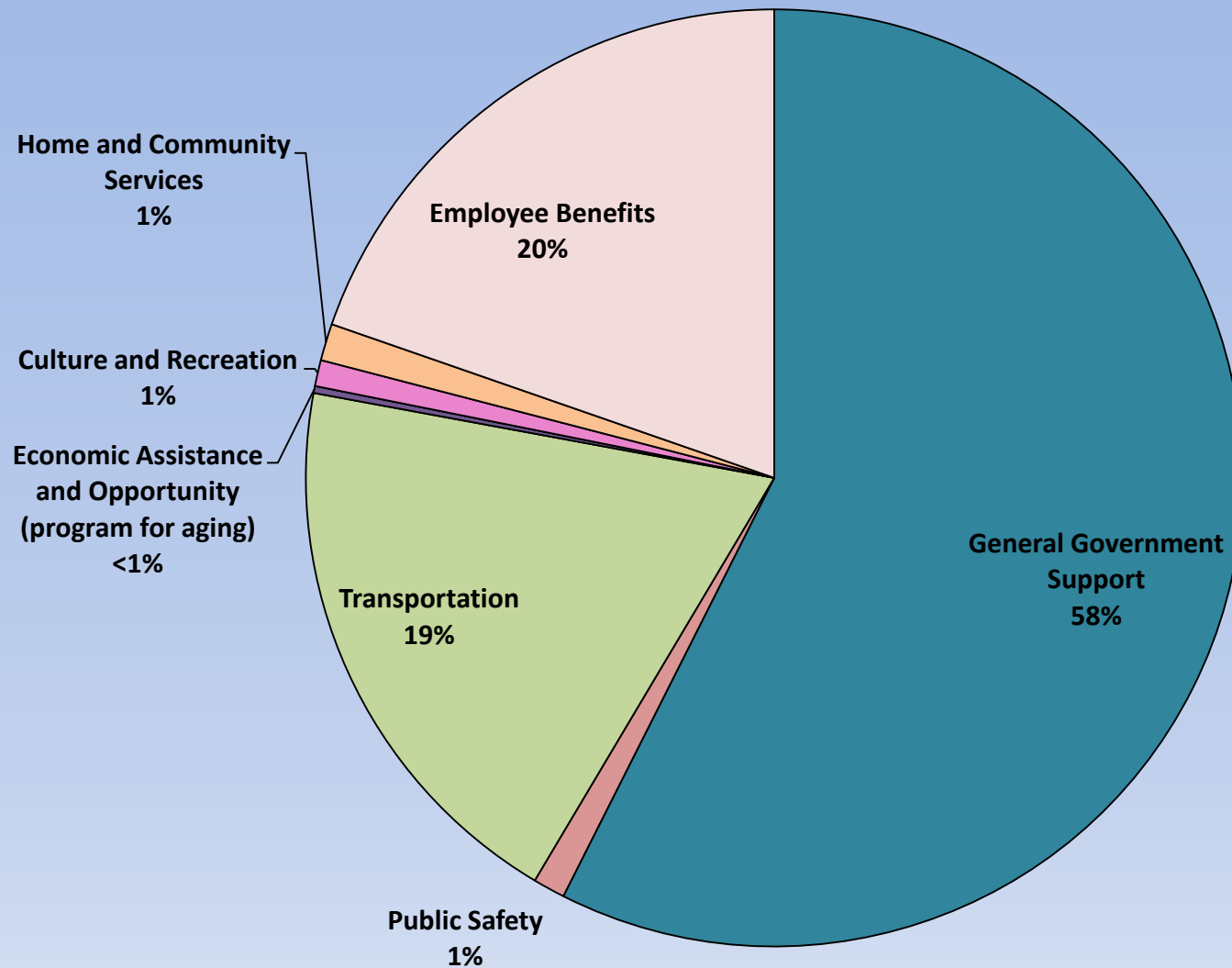
Diana General Fund - Expenditures 12/31/16

Applies to entire Town, including Village of Harrisville

Expenditure	Amount
General Government Support (Legislative Board, Municipal Court, Supervisor, Auditor, Budget, Purchasing, Assessment, Clerk, Law, Buildings, Central Garage, Central Print & Mail, Unallocated Insurance, Municipal Assn Dues)	\$155,599
Public Safety (Control of Animals)	\$3,000
Transportation (Street Admin - Highway Superintendent, Garage)	\$52,453
Economic Assistance and Opportunity (Program for aging)	\$650
Culture and Recreation (Museum – Art Gallery, Historian)	\$2,445
Home and Community Services (Refuse and Garbage, Cemetery)	\$3,452
Employee Benefits	\$53,317
Total	\$270,916

Note: Transportation expenditures include Highway Superintendent salary and Garage contract expenses

Diana General Fund Expenditures 12/31/16: \$270,916



Note: Transportation expenditures include Highway Superintendent salary and Garage contract expenses

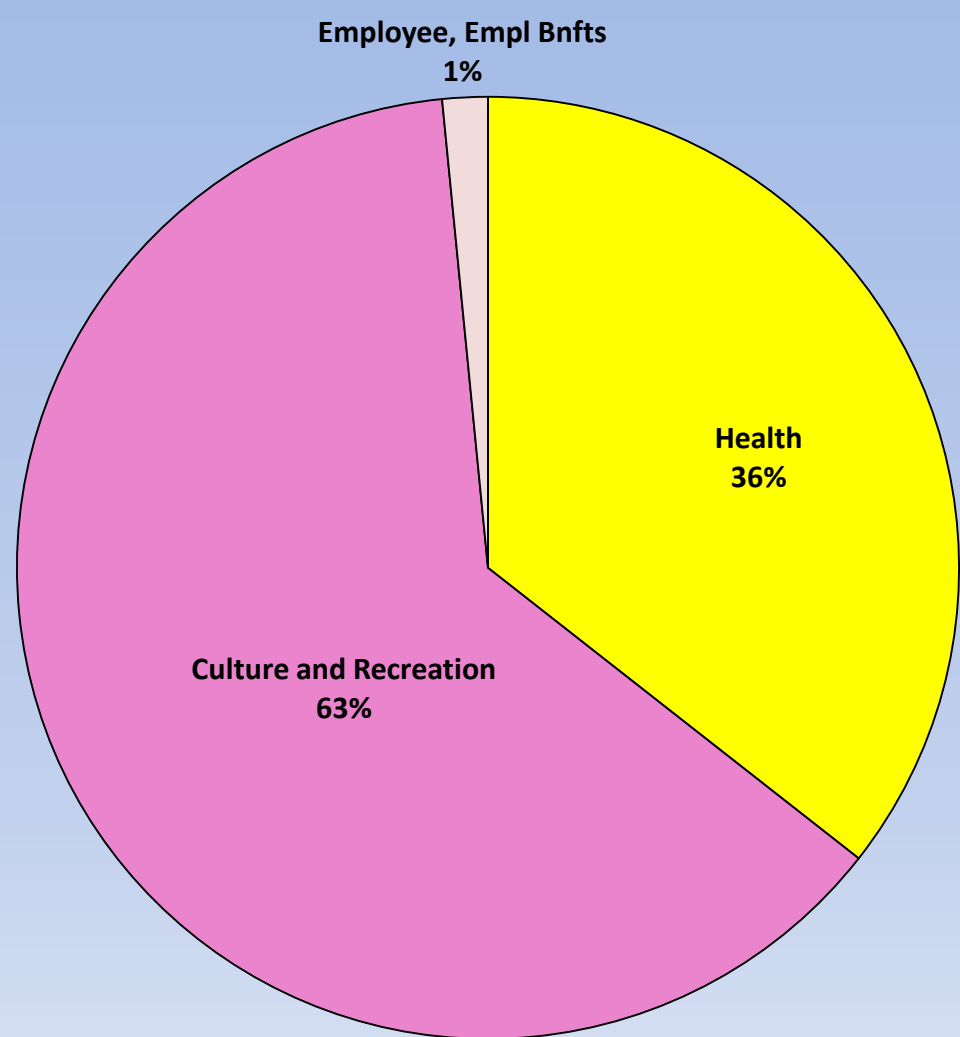
Diana General Town Outside Village - Expenditures 12/31/16

Applies only to Town, excluding Village of Harrisville

Expenditure	Amount
Health Public Health Officer, Registrar of Vital Statistics	\$2,264
Culture and Recreation Playground and Recreation Centers, Joint Recreation Project, Joint Youth Program	\$4,000
Employee Benefits	\$99
Total	\$6,363

Diana General Town Outside Village - Expenditures 12/31/16

\$6,363

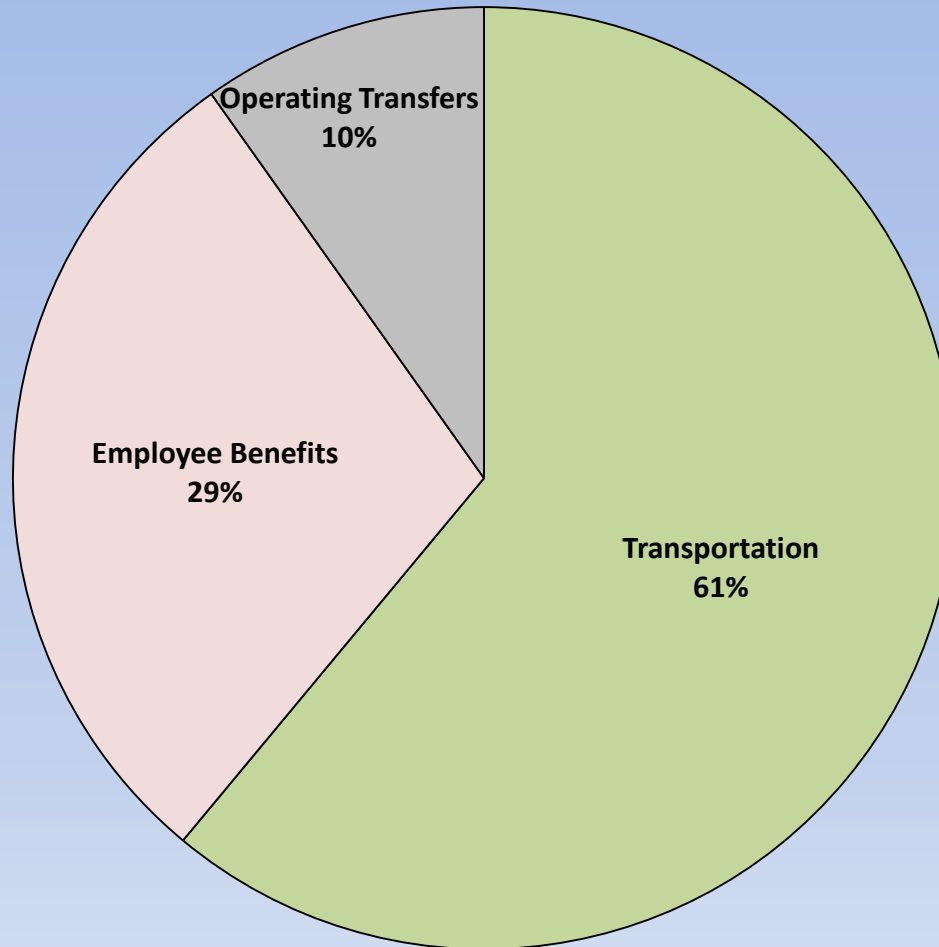


Diana Highway Townwide - Expenditures 12/31/16

Applies to entire Town, including Village of Harrisville

Expenditure	Amount
Transportation (Machinery, Snow Removal)	\$145,513
Employee Benefits	\$69,479
Operating Transfers Loan to DB, Transfers Capital Projects Fund	\$23,422
Total	\$238,414

Diana Highway Townwide - Expenditures 12/31/16: \$238,414

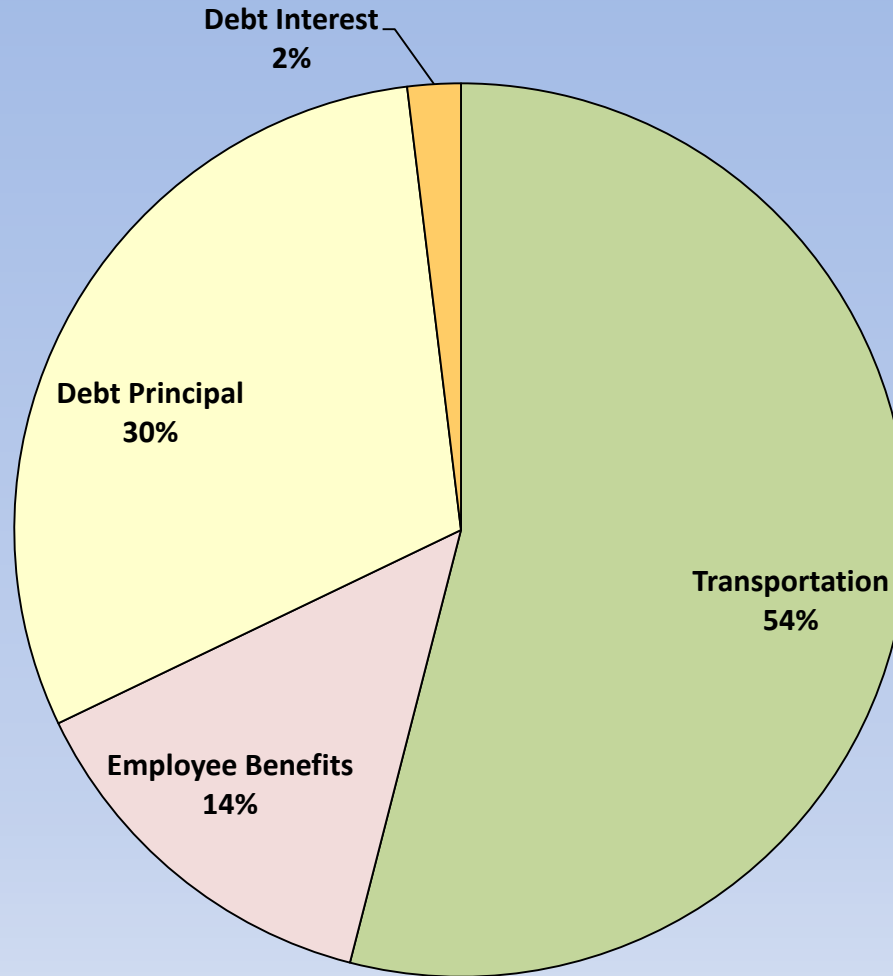


Diana Highway Part-Town - Expenditures 12/31/16

Applies only to Town, excluding Village of Harrisville

Expenditure	Amount
Transportation Maintenance of streets, permanent improvements highway, brush and weeds	\$178,831
Employee Benefits	\$45,962
Debt Principal Bridge bond debt	\$100,000
Debt Interest Bridge bond debt	\$6,380
Total	\$331,173

Diana Highway Part-Town - Expenditures 12/31/16: \$331,173

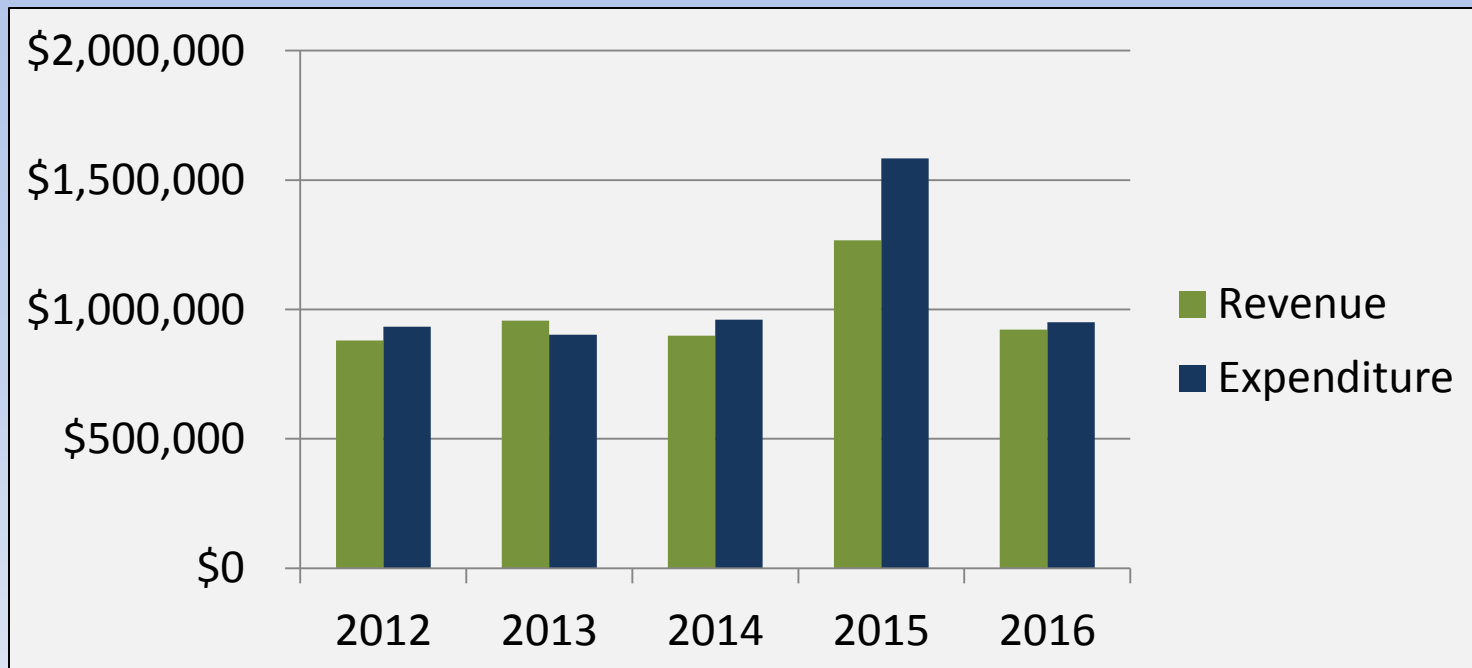


Diana All Funds Employee Personal Services Salary & Benefits

All Funds Employee Cost 2016		
	Position	Personal Services Salary
General Fund	Supervisor (\$11,784) + Budget (\$600)	\$12,384
	Bookkeeper/Auditor	\$11,095
	Legislative Board	\$7,400
	Clerk/Tax Collector	\$19,245
	Justice/Court Clerk	\$25,181
	Assessor	\$20,800
	Purchasing (Board of Assessment Review)	\$525
	Historian	\$400
	Animal Control	\$2,000
	Highway Superintendent	\$46,344
General Outside Village	Health Officer	\$1,000
	Registrar of Vital Statistics	\$300
Highway Funds	Highway Operators Town-Wide	\$79,561
	Highway Operators Part-Town	\$93,694
	Total Employee Salaries	\$319,929
	Total Benefits Paid	\$168,857
	Benefits as % of Salary	53%
	Total Compensation	\$488,786

Diana Town Revenues and Expenditures Trend

Diana Fiscal Year	Town Revenue	Town Expenditure
1/1/12 - 12/31/12	\$880,022	\$933,508
1/1/13 - 12/31/13	\$956,416	\$901,868
1/1/14 - 12/31/14	\$898,584	\$960,197
1/1/15 - 12/31/15	\$1,266,883	\$1,584,159
1/1/16 - 12/31/16	\$922,155	\$950,417



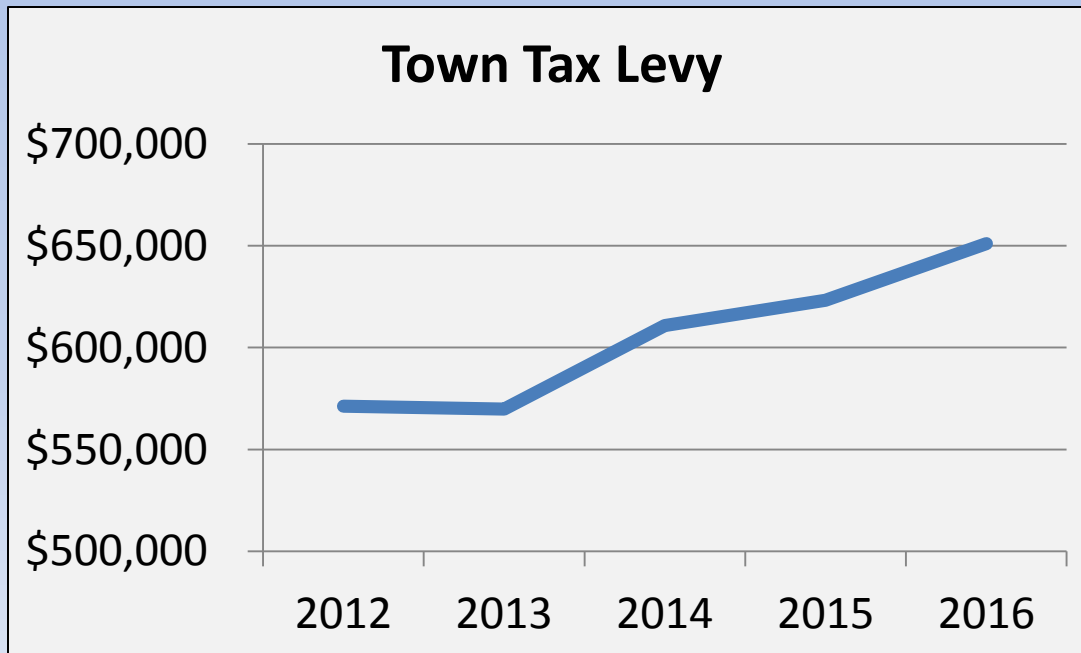
Diana Fund Balances 12/31/16

Fund	Amount
General Fund	\$227,258
General Town - Outside Village	\$9,100
Highway - Townwide	\$207,360
Highway - Part-town	\$17,400
Bridge DB Fund ¹	-\$100,000
Lighting	\$83

1. The Town owes \$100,000 (plus interest) on a bond for bridge work

Diana Tax Levy Trend

Diana Fiscal Year	Tax Levy
1/1/12 - 12/31/12	\$571,221
1/1/13 - 12/31/13	\$569,808
1/1/14 - 12/31/14	\$610,868
1/1/15 - 12/31/15	\$623,242
1/1/16 - 12/31/16	\$651,118



Diana Tax Rate Trend

Real property taxes in the Town are applied differently based on whether the property is inside or outside the Village:

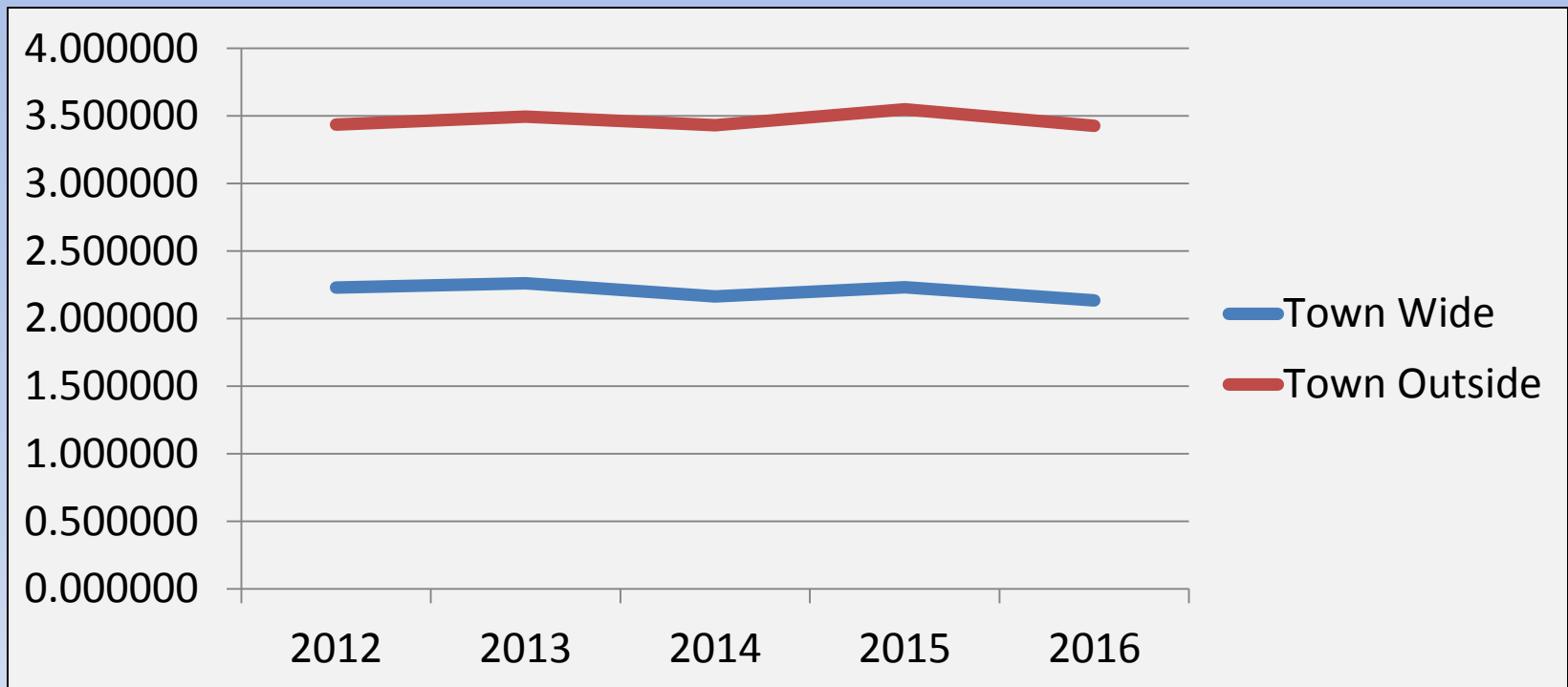
- The “Town Wide” tax rate applies to all properties within the Town, including those in the Village.
- The “Town Outside” tax rate is added to the Town Wide rate for all properties outside of the Village.

Diana Fiscal Year	Town Tax Rates (per \$1,000 of assessed value)
1/1/12 - 12/31/12	Town Wide: 2.229100 Town Outside: $1.206815 + 2.229100 = 3.435915$
1/1/13 - 12/31/13	Town Wide: 2.261852 Town Outside: $1.231791 + 2.261852 = 3.493643$
1/1/14 - 12/31/14	Town Wide: 2.165100 Town Outside: $1.267270 + 2.165100 = 3.432370$
1/1/15 - 12/31/15	Town Wide: 2.232036 Town Outside: $1.316339 + 2.232036 = 3.548375$
1/1/16 - 12/31/16	Town Wide: 2.133933 Town Outside: $1.292497 + 2.133933 = 3.426430$

Diana Tax Rate Trend

Real property taxes in the Town are applied differently based on whether the property is inside or outside the Village:

- The “Town Wide” tax rate applies to all properties within the Town, including those in the Village.
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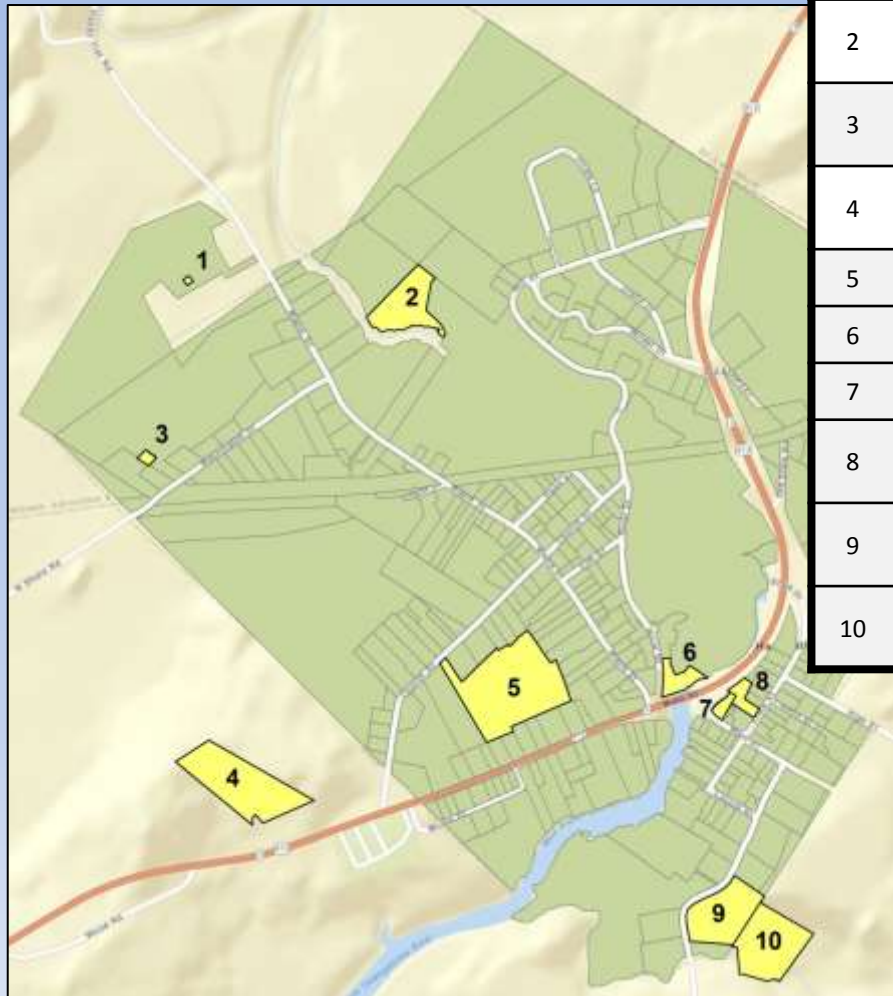
Village and Town Debt Levels - Updated as of July 2017

	Harrisville	Diana
General Fund	\$0	\$0
Water ¹	\$25,000	N/A
Highway	N/A	\$0
Bridge (Town) ²	N/A	\$0
Total	\$0	\$0

1. Village water debt would stay within the water district if dissolution occurred. Village water debt is scheduled to be paid off July 2018.
2. The Town paid off their bridge debt in July 2017.

Village Owned Property: Total Value = \$203,500

#	Use	Address	Parcel ID	Total Assessed Value	Acres
1	822 - Water Supply	Hands Flat Rd	013.09-01-13.000	\$6,900	<1
2	330 - Vacant Commercial	River St	013.09-03-11.000	\$5,000	3.3
3	822 - Water Supply	Washington St	013.09-01-04.000	\$4,000	<1
4	852 - Landfill or Dump	NYS Rte. 3	013.00-04-20.100	\$400	5.7
5	591 - Playground	Church St	013.13-02-02.100	\$27,900	8.4
6	314 - Rural Vacant	River St	013.14-06-20.100	\$2,200	1
7	653 - Parking Lot	Main St	013.14-06-18.000	\$16,700	<1
8	330 - Vacant Commercial	State St	013.14-06-14.100	\$4,900	<1
9	822 - Water Supply	Creek Rd	013.18-05-05.100	\$25,000	3.5
10	822 - Water Supply	Creek Rd	013.18-05-07.000	\$110,500	4.9



Village Owned Buildings/Assets Insurance Schedules 2016-2017

Asset	Address	Coverage Amount	
		Building	Contents
Pump Station	S. Creek Rd	\$15,000	\$5,900
Water Tower	S. Creek Rd	\$292,400	-
DPW Building	S. Creek Rd	\$120,000	\$1,000
Water House	Lower Maple St (Hands Flat Rd)	\$7,600	\$5,900
Pavilion	S. Church St	\$7,600	-
Water Pump House	Washington St	\$13,000	-
Gazebo	River St	\$4,800	-
Equipment in Park	River St	-	\$3,300
Village Office in Town Building	5959 Old State Rte. Ext.	-	\$27,700

The Village owns additional equipment and vehicles that will be discussed during the DPW presentation.

Questions or Comments?



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