

Village of Morristown Dissolution Study

Alternatives Meeting

September 26, 2017

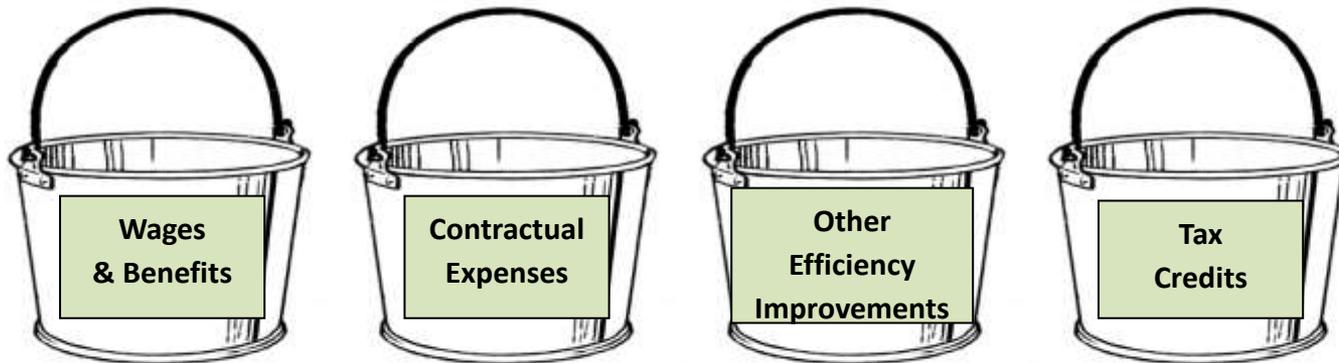


Visit the website: www.danc.org/operations/engineering/morristown-dissolution-study

Alternatives Objectives

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

Task	Status
1. Brainstorm recommendations for alternative delivery of Village services	In Process
2. Categorize recommendations into specific budgets for potential cost savings	In Process
3. Analyze each recommendation: delivery method, cost, and cost savings	In Process
4. Draft Alternatives Report with the recommendations and details	Pending



Note: all cost figures are from FYE 2016 for the Village and Town unless otherwise noted.

Alternatives - Contractual and Equipment & Capital Outlay

If the Village dissolved, some expenses would automatically be eliminated:

Expense Item	Cost	Basis
Mayor, Contractual	\$90	Position is eliminated with expenses
Village Board, Contractual	\$36	Position is eliminated with expenses
Village Clerk/Treasurer, Equipment & Capital Outlay and Contractual (Expenses include annual support fee for bookkeeping and utility billing software, office equipment, office supplies, clerk association dues/training, legal notices, office phone/cable line, and postage)	\$4,563	Position is eliminated with expenses
Assessment, Contractual (The Village pays the County this fee to prepare tax rolls and tax bills)	\$548	Expense is eliminated
Law, Contractual	\$1,412	Expense is eliminated
Elections, Contractual	\$21	Expense is eliminated

Without dissolution:

Are there any alternatives or opportunities for savings with these expenses?

Alternatives - Contractual and Equipment & Capital Outlay

Buildings = \$4,813

Expenses are for Village-owned buildings maintenance (Library, Stone School House), Library kerosene, municipal trash disposal, and other miscellaneous upkeep expenses.

- If the Village dissolved, the Town would assume responsibility for all Village-owned property.
- Town costs for Buildings was \$21,372, for Town Office utilities (lights, fuel, phone services) and maintenance contracts for office equipment.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Central Garage = \$19,202 (\$2,789 in equipment and \$16,413 in contractual)

Expenses include garage building maintenance and supplies, electric and fuel heating costs for garage, tools and hardware, and garage phone lines. In FYE 2016, these costs did not include the new DPW garage expenses. The Contractual expenses also include annual DPW cell phone allowances (\$1,800), annual DPW uniform allowance (\$2,250), and the DPW staff random drug testing program (\$500); which is a total of \$4,550 for staff-related expenses.

For comparison, the FYE 2017 costs for Central Garage were \$1,247 in equipment and \$54,609 in contractual. The contractual costs are significantly higher than the FYE 2016 expenses because approximately \$35,000 was for construction costs for the new garage. It also includes the \$4,550 in staff-related expenses described above.

- Would the Town take over all of these costs?
- Would the Town use the new DPW Garage?

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Unallocated Insurance = \$29,675

This insurance covers buildings, vehicles, parks, property, and other general municipal assets.

- The Town would be responsible for these assets and the insurance coverage if it keeps all of the vehicles and assets.
- The Town paid \$23,044 in unallocated insurance.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Municipal Association Dues = \$727

These dues would be eliminated if the Village dissolved.

- The Town paid \$998 in municipal dues and it is unlikely to increase.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Public Health = \$200

The Village pays a doctor for contracted services related to public health issues.

- The Town paid \$1,082 in public health expenses for routine employee immunizations, annual medical exams, and drug testing.
- Would the Town take this over the Village expense?
- Is this expense eliminated?

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Sidewalks = \$1,835

The Village budgets funds every year for replacement of sidewalk sections based on condition and usage. If a homeowner wants their sidewalk replaced and it is not on the list that year, the homeowner shall purchase materials and the DPW will provide the labor.

- Would the Town take this over the Village sidewalk policy and expense?

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Playground and Recreation Centers = \$8,307

This expense includes costs to maintain the municipal parks and playgrounds, including Chapman Park, Fireman's Rec Field, and the Pavilion. It also includes the lighting for Chapman Park.

- If the Village dissolved, the Town would assume responsibility for the municipal parks and recreation equipment.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Special Recreation Facility = \$2,986

This expense includes costs for Bayside Park Marina maintenance, including the boat docks, the bath house, and park lighting.

- If the Village dissolved, the Town would assume responsibility for the recreation facility.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Joint Recreation Program = \$3,500

The Joint Recreation Program includes the Village, the Town, and the Morristown Central School.

➤ Annual municipal contributions are as follows:

Village: \$3,500

Town: \$12,062

School: \$3,500

➤ If the Village dissolved, should this expense be eliminated?

➤ Should the one or both of the other entities increase their contribution to make up the loss of \$3,500?

➤ *How does the committee want to handle this expense?*

➤ *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Library = \$2,000

This is the Village annual contribution to the library.

Town paid \$6,250 in FYE 2016.

- If the Village dissolved, does the Town want to increase their contribution?
- Is this expense eliminated?
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Historian = \$300

The Village and the Town share the same Historian. The Village paid this amount on contractual expenses to the Historian.

- Town paid the Historian \$1,002 in FYE 2016.
- If the Village dissolved, does the Town want to increase their Historian compensation?
- Is this expense eliminated?
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Celebrations = \$5,235

This expense includes the Gateway Museum donation, Memorial Day flags and flower boxes, 4th of July Fireworks, and Christmas decorations.

- The Town contribute \$1,000 to the fireworks and \$500 to Gateway Museum.
- If the Village dissolved, does the Town take over these duties and expenses?
- Is this expense eliminated?
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Shade Tree = \$1,350

The Village maintains and removes trees on Village-owned property.

- If the Village dissolved, the Town would take over this responsibility.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Zoning = \$92

This expense includes costs for zoning board member training.

- The Town has a Code Enforcement Officer that works in the Village and Town.
- If the Village dissolved, does the Town take over these duties and expenses?
- Is this expense eliminated?
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Planning = \$74

This expense includes costs for planning board member training.

- The Town Planning expense was \$3,178 for costs for training and conferences for Planning Board and Zoning Board members and Town Clerk administration costs.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Maintenance of Streets = \$96,406

The Village pays for street maintenance work and paving from this expense category. The Village receives CHIPS funds as revenue to offset some of these costs. In FYE 2016, the Village received \$26,367 in CHIPS revenue.

- If the Village dissolved, the Village streets would become Town responsibility. The Town also receives CHIPS funds, and the committee can estimate that the Town would receive additional CHIPS revenue equal to what the Village receives.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Street Lighting = \$10,415

The Village pays for street lighting from this expense category.

- If the Village dissolved, the Village street lights would become a Town expense. The Town currently has a town-wide lighting district and pays for street lights in the rest of the town through its town-wide general fund.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Street Admin = \$403

The Street Admin category is for the DPW Superintendent costs. The Village pays for training, conferences, office supplies, and other miscellaneous expenses from this expense category.

- If the Village dissolved, the DPW Superintendent position would be eliminated.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives - Capital Project Fund and General Fund Debt

Capital Project Fund = \$198,579

The Village used the Capital Project Fund to pay for: \$150,077 for construction of new Village Office and Garage building; \$5,000 payment towards Fire Department pickup truck; and \$43,502 for new DPW pickup truck.

- These were one time expenses in FYE 2016 and are not recurring or on-going expenses to the taxpayer.
- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

General Fund Fire Truck Debt = \$325,725 remaining at the end of FYE 2016

The Village paid \$29,775 towards the debt in FYE 2016. If the Village dissolved, the Town would take over the remaining debt. Alternatively, the Village could use any remaining fund balance towards paying off this debt before dissolution occurred (the general fund balance as of 5/31/2017 was \$93,768).

- *How does the committee want to handle this expense?*
- *Are there opportunities for savings or sharing without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Fire = \$152,625 (\$35,300 Equip & Cap, \$73,757 Contractual, \$43,568 Fire Truck Debt payment)

- These expenses are offset by the annual Contract Fees from the Towns of Morristown, Macomb, and Oswegatchie. The Village cost for Fire and Rescue services in FYE 2016 was \$44,660.

There are two options for continuation of Fire Services if the Village Dissolves:

1. The Town could form a Fire District for the former Village Area and contract with the Morristown Volunteer Fire Department or another fire department for services.
 - Taxpayers within the Fire District would elect a Fire Board of Commissioners.
 - Calculated rate: \$1.72 per \$1,000 of assessed value for tax payers within the Fire District.
 2. The Town could include the former Village area in its Fire Protection District and contract with the Morristown Volunteer Fire Department or another fire department for services. All of the Village-owned fire equipment, vehicles, and fire hall would go to the Town. The Town could lease everything back to the Morristown Volunteer Fire Department.
 - The Town Board serves as the Fire Board of Commissioners.
 - Calculated rate: \$0.94 per \$1,000 of assessed value for tax payers within the entire Fire Protection District.
 - This would be a \$0.27 increase in the rate that taxpayers in the Fire Protection District paid in 2016.
- *How does the committee want to handle this expense?*
 - *Are there opportunities for savings without dissolution?*

Alternatives - Contractual and Equipment & Capital Outlay

Fire Services Alternatives - Options

2016 Contracts	New "Former Village Area" Fire District	Existing Town Fire Protection District	New Town Fire Protection District with Village Area
Fire and Rescue Contract Fees	\$44,660	\$49,270	\$93,930
Taxable Assessed Value for 2016 (Town TAV for Special Fire District)	\$25,970,540	\$73,805,007	\$99,775,547
Computed Cost Per \$1,000 for Fire and Rescue Fees	\$1.72	\$0.67	\$0.94

Alternatives - Wages & Benefits

If the Village dissolved:

The following positions, and the wages and benefits, would be eliminated:

- Village Mayor
 - ✓ Savings of \$3,500
- Village Board
 - ✓ Savings of \$4,000
- Village Elections Inspector
 - ✓ Savings of \$160
- Village Clerk/Treasurer
 - ✓ Discussed on next slide
- DPW Staff
 - ✓ Discussed on next slide

Without dissolution:

Are there any alternatives or opportunities for savings with these positions?

- Share service with Town?
- Contract out?
- Reduce costs?
- Other options?

Total benefits for General Fund Village employees = \$104,484

If the Village dissolved, all of the General Fund benefits expenses would be eliminated.

Alternatives - Wages & Benefits

If the Village dissolved:

The Village Clerk/Treasurer has duties that the Town would take over, and so this position needs additional discussion:

- Village Clerk/Treasurer: \$28,500 salary from General Fund
- If the Village dissolved, most of the duties of the Village Clerk/Treasurer would be eliminated: tax collection, administrative duties, annual state financial reporting, etc.
- Some duties would have to be taken over by the Town: reports for charitable gaming, park and dock rentals, and water and sewer billing.
 - ❖ Currently, the Village Clerk's time spent on water and sewer tasks are accounted for in the General Fund, not in the Water Fund or Sewer Fund. The Village Clerk estimates that 11% of her time (equal to \$3,135) is spent on water and sewer tasks. This percentage of her time/salary would be transferred to the Water District and the Sewer District, not to the Town's General Fund.
- The Town Clerk would have additional duties to cover (water and sewer service billing, park and dock rentals). Or will another Town employee be assigned these extra duties? (Deputy Clerk or Bookkeeper)
- Should the Town budget additional funds to cover transfer of Village Clerk duties?
 - ❖ Town Clerk FYE 2016 wage: \$34,480

Alternatives - Wages & Benefits

If the Village dissolved:

The DPW has duties that the Town will take over, and so these positions need additional discussion:

- DPW Superintendent: \$48,925 salary paid out of the General Fund
- DPW Full-time Operator: \$38,800 salary paid out of the Sewer Fund
- DPW Full-time Laborer: \$23,504 salary paid out of the Sewer Fund
- DPW Seasonal Staff (1 person): \$5,446 salary paid out of the General Fund
- **Total DPW Salaries = \$116,675**

If the Village Dissolved, the DPW positions would be eliminated; however, the duties of the positions would remain. The DPW manages and maintains the Village streets, parks and other municipal properties, and the water and sewer systems. The Town would take over these responsibilities; however, all of the time/labor costs related to water and sewer systems would remain with the water and sewer districts, and need to be estimated:

Water

- ❖ “Base” work to run water system = 3 hours per day, 7 days a week
= 1,095 hours per year of Superintendent's time = 53% (based on a 40 hour work week)
53% of Superintendent wage \$48,925 = \$25,930 of Superintendent wages for “base” water system work.
- ❖ Additional labor on water system = 2 hours per week on average
= 104 hours per year of Operator’s time = 5%
5% of Operator wage \$38,800 = \$1,940 of Operator wages for additional water system labor.
- ❖ **Total estimate of 58% of DPW time/labor spent on water system tasks with \$27,870 in wages.**

Sewer

- ❖ “Base” work to run sewer system = 3 hours per day, 7 days a week
= 1,095 hours per year of one Operator’s time = 53%
53% of Operator wage \$38,800 = \$20,564 of Operator wages is for “base” sewer system work.
- ❖ Additional labor on sewer system = 5 hours per week on average
= 260 hours per year of Operator's time = 13%
13% of Operator wage \$38,800 = \$5,044 of Operator’s wages for additional sewer system labor.
- ❖ **Total estimate of 66% of DPW time/labor spent on sewer system tasks with \$25,608 in wages.**

Alternatives - Wages & Benefits

DPW Continued...

Total DPW Salaries = \$116,675

- \$27,870 for Water System tasks

- \$25,608 for Sewer System tasks

\$63,197 for other DPW tasks

- When the water and sewer labor costs are subtracted from the total DPW salaries, the remaining time/labor costs are spent on streets, parks and municipal properties, and other duties. How will the Town cover these highway-related duties?
 - Will the current Town staffing suffice or will the Town need to hire additional staff?
 - Will the Town contract out for these additional highway-related duties?
- *How does the committee want to handle this service?*
- *Are there opportunities for savings without dissolution?*

Alternatives - Water

If the Village dissolved, residents who receive Village water services would continue to receive services through the formation of a Water District under the Town. Revenues, Expenditures, and Fund Balance reported in the Village Annual Update Document under the Water Fund would stay with the Water District, as well as any water debt.

Expenses for Village DPW employee wages for labor on water-related tasks are currently not accounted for in the Water Fund - they are accounted for with the rest of the wages in the General Fund and the wages that are accounted for in the Sewer Fund. The estimated DPW wages that would be accounted for in the Water Fund are: \$27,870. The estimated Clerk's wages that would be accounted for in the Water Fund are: \$1,567.50.

FYE 2016 Water Fund Revenue = \$85,499

- Revenue includes Metered Water Sales, Water Service Charges, and Interest and Penalties on Water Rents.

FYE 2016 Water Fund Expenses (which do not include any staff labor) = \$59,990

- These expenses include Contractual Expenditures for Water Administration, Source Supply Power and Pump, Water Purification, Water Transmission and Distribution System, and Debt Principal Serial Bonds (payment for water debt).

The Town would assume responsibility for Water System and need to either:

- Hire licensed operators to run the water system
- Train and license current Town employees to run the water system
- Contract for water system operation services - approximately \$100,000 for Town and Village area water and sewer operational services.
- *Are there opportunities for savings without dissolution?*

Alternatives - Sewer

If the Village dissolved, residents who receive Village sewer services would continue to receive services through the formation of a Sewer District under the Town. Revenues, Expenditures, and Fund Balance reported in the Village Annual Update Document under the Sewer Fund would stay with the Sewer District, as well as any sewer debt.

In FYE 2016, The two DPW Worker staff were paid entirely from the Sewer Fund; however, not all of their labor is entirely for sewer-related tasks. They also work on the water system and other Village DPW tasks. The estimated DPW wages that would be accounted for in the Sewer Fund are: \$25,608. The estimated Clerk's wages that would be accounted for in the Sewer Fund are: \$1,567.50.

FYE 2016 Sewer Fund Revenue = \$158,485

- Revenue includes Sewer Rents and Interest and Penalties on Sewer Accounts.

FYE 2016 Sewer Fund Expenses = \$178,334 (which include all DPW Operator and Laborer labor)

- These expenses include Sewer Administration Personal Services (DPW wages), Sewer Administration Contractual, Sanitary Sewers, Sewage Treatment and Disposal, Employee Benefits, and Debt Principal Serial Bonds (payment on sewer debt).

The Town would assume responsibility for Sewer System and need to either:

- Hire licensed operators to run the sewer system
- Train and license current Town employees to run the sewer system
- Contract for sewer system operation services - approximately \$100,000 for Town and Village area water and sewer operational services.
- *Are there opportunities for savings without dissolution?*

Alternatives - Other Efficiencies?

Are there other aspects of government or services where efficiencies could be gained?

Are there other Village/Town opportunities to share expenses or work together?

Any new ideas for future municipal cooperation if the Village did not dissolve?

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.
- The CETC will be calculated from the tax levies for the last full fiscal year prior to dissolution (not including special district levies). The numbers below are only an estimate.

	Village	Town	Total
2017 Tax Levy	\$310,358	\$644,911	\$955,269
Annual Citizens Empowerment Tax Credit (CETC) 15% of Total Tax Levy	-	-	\$143,290

Alternatives - Next Steps

- The committee's recommendations for alternatives are compiled into a spreadsheet that calculates the savings achieved from wages & benefits, contractual, and other efficiencies.
- The savings factor into the calculations for the new Town tax rates that would result from Village dissolution.
- All of this information will be compiled into an Alternatives Report.

Questions or Comments?



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