

VILLAGE OF FLEISCHMANN'S

Study of Issues to Remain or Dissolve the Village

November 2019

WHERE ARE WE IN THE PROCESS?

A citizens-initiated petition to dissolve the Village of Fleischmanns (VOF) was submitted September 7, 2019. The Board has set Friday December 20, 2019 as the date for the referendum to vote whether to dissolve the village. Voting hours are 12 noon to 9 pm at the Skene Memorial Library. Should the referendum to dissolve the village pass, VOF would disincorporate and become a hamlet of the Town of Middletown (TOM) and would be governed by TOM in the same manner as Arkville, Halcottsville, and New Kingston. Should it fail, the VOF would continue to operate as is.

While there is no requirement to undertake a study prior to the referendum, the VOF board has commissioned this study, prepared internally by the board and staff, to provide information to property owners and residents. The VOF board is providing facts, circumstances and potential impact on the village relevant to a dissolution in an unbiased manner, to the best of its ability.

The study addresses the following questions:

- 1. What approach is the VOF taking in response to the petition to dissolve?**
- 2. What services are currently provided by VOF, and by TOM?**
- 3. What does the village own, owe and how might these be handled?**
- 4. Is the VOF financial condition improving, or deteriorating?**
- 5. What is the short-term fiscal impact of dissolution?**
- 6. What are some non-financial impacts and other uncertainties of dissolution?**
- 7. What are some advantages and disadvantages of dissolution?**
- 8. What is the timetable should the Referendum to Dissolve the Village pass?**

1.0 What approach is the VOF taking in response to the petition to dissolve?

This study focuses on the VOF general fund, as the Water and Sewer funds are self-funded through rents, fees and reimbursement from City of New York (85% of the Sewer operating costs). It is likely these funds will continue as special districts in the same self-funded manner.

The VOF board is providing facts, circumstances and potential impact on the village relevant to a dissolution in an unbiased manner, to the best of its ability. It also assumes that if dissolved into the Town of Middletown (TOM), TOM will make a good faith effort to maintain the same level of services as VOF provides, and consistent with what it provides to other hamlets in the town (Arkville, Halcottsville and New Kingston)

The VOF board plans to publish excerpts from this report in the Catskill Mountain News and the Mountain Eagle in 4 issues between Nov 1 and Dec 20, as well as publish on its website and make copies available to the public at the Skene Library. This will assist the voting public in making an informed decision.

2.0 What services are currently provided by VOF and by TOM?

	Current Village of Fleischmanns services	Current Town of Middletown services to Village of Fleischmanns
Street Maintenance	Street cleaning, tree and shrub pruning, snow removal, cold patching, building and property repairs, bench repair, mowing village properties, minor equipment repairs, ditch cleaning, village garbage can management, maintaining flower barrels, emergency response to storm damage, maintaining village traffic and other signage	Shared services agreement to assist village, oil and stone roads as needed, street sweeper services as requested, back up for village staff
Parks	Mowing, removing debris, clean bathrooms at concession stand,	No Parks under their care
Street lighting	NYSEG provides electrical services; currently under contract to convert to LED lighting	None, manages Arkville and Halcott, and New Kingston lighting districts
Library and museum	Funds the Skene Library: Library run by a separate board as a municipal library: deed restriction to remain as library, VOF maintains the Library and Museum building	Budgets funds for the Skene Library from TOM taxes
Municipal Sewer system	Village wide-contract with Cedarwood, funded 85% by NYC	No sewer system under TOM management
Municipal Water system	Village wide-contract with Cedarwood funded by user fees	No services provided to VOF, Manages Arkville, and Halcottsville water systems
General services	Tax, sewer, water collections, general mgt of village infrastructure, village governance, insurance, response to resident and public concerns, enforcement of village laws, building and zoning code enforcement, comprehensive plan	Provides code enforcement for a fee. Advocates for county wide policies with County Board of Supervisors, and county committees.
Fire Protection	A village owner Fire Dept maintains equipment and	TOM contracts with fire districts and VOF to provide fire

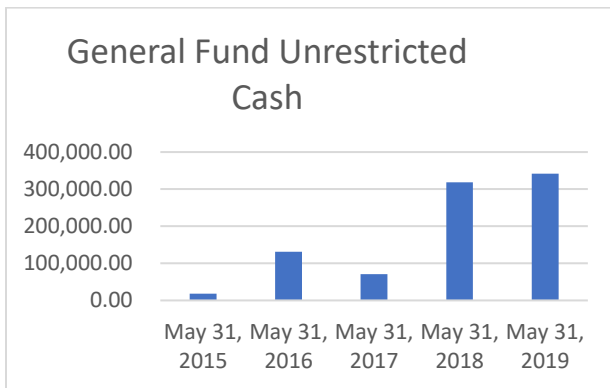
	volunteers to provide fire protection and emergency services to Fleischmanns, Halcott, and portions of Middletown	protection services and emergency services
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3.0 What does the VOF own, owe and how might these be handled?

The village owns cash, receivables, real property and has positive fund balances; The village owes accounts payable, a Bond anticipation note to fund unreimbursed FEMA expenses, and has a 30-year Serial Bond in the Water fund that funded the replacement of water system infrastructure in 2011.

Cumulative Equity in village accounts (excluding real estate and equipment) is \$678,712, i.e., what we own less what we owe.

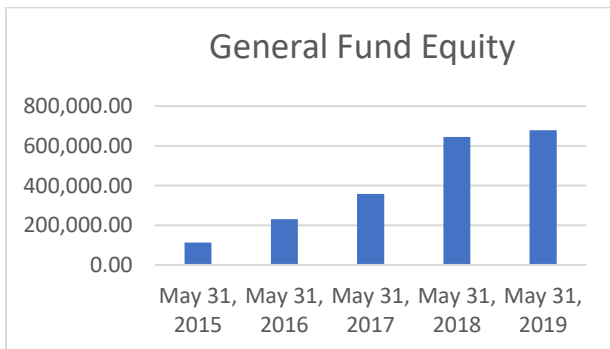
Assets (what we own): As of the year ended May 31, 2019, The village General fund Assets included \$341,000 in cash, \$266,000 in Special Cash Reserves (fire department truck and equipment replacement, maintenance of the Schneider Avenue culvert), \$386,000 in Receivables from NYS Homeland Security (FEMA) ; The village owns \$9.5 million in village properties, \$1.5 million in Fire Department vehicles, and \$143,000 in other vehicles and small machinery.



See Appendix A for Balance Sheets 2015-2019

See Appendix C – Fixed Assets for details

What we owe (Debts): At May 31, 2019 the VOF owes Accounts payable of \$15,000, a Bond Anticipation Note (BAN) of \$300,540 (with the Catskill Watershed Corporation, original amount was \$500,000). The BAN finances unreimbursed expenses from Hurricane Irene.



Other obligations

The village has a 30-year serial bond with current balance of \$1,233, 927. It is interest free and annual payments of \$53,649 are paid out of the Water Fund. This was established in 2011 when the aging water infrastructure was replaced, springs/wells upgraded and a water tower built. The serial bond matures 01/07/2041.

The village has multiyear contracts with Cedarwood Environmental Services who manages the Municipal Sewer and Water Systems. The contracts expire April 12, 2021 and March 12, 2021, respectively.

The village has a shared services agreement with the Town of Middletown.

The Village has shared service agreements with adjoining fire districts to provide mutual assistance.

The village has annual agreements with The Town of Halcott, and Middletown fire District #1 to provide fire and emergency services. These agreements are renewed annually effective January 1.

The village has a loan with CWC to pay for the Sewer extension to Spillian, which is amortized through annual sewer fees

4.0 Is the VOF financial condition improving or deteriorating?

As displayed in the above charts, the VOF cash liquidity has improved significantly since 2015 and the equity in our accounts has also improved significantly. Years 2015, 2016 and 2017 were financially difficult as spending to repair damage to village infrastructure from Hurricane Irene and Tropical Storm Lee was not reimbursed for several years, and much has not as yet been reimbursed. The village regained its financial footing as a result of FEMA reimbursements, collection of prior year unpaid real property taxes, and reductions in costs.

The Village is up to date and compliant with NYS Controller’s financial reporting requirements.

The village has adequate working capital to maintain operations.

The village as a whole has benefited from grants that funded investments in Main Street properties funded investments in properties. The Village currently has the following active grants for village infrastructure, and amenities.:

	<u>original</u>	<u>current balance</u>
Stormwater Assessment CWC	46,875	10,183
Gateway Enhancement Project DEC	45,482	36,982
Theater Feasibility Study	45,000	45,000
Pool -NYS Dormitory Authority (Seward)	287,000	216,000
Pool State Assembly-(Lopez)	3,000	1,500
CHIPS, PAVE, EWR Dept Trans.	44,920	32,000
Village Park Grant-NYS Parks Dept	275,000	72,000
Lake Street Embankment	45,042	45,042
	792,319	458,707

The VOF has worked to reduce annual spending from 2016 to the present. **Within the general fund, administrative salaries (Clerk/treasurer/bookkeeper) are reduced 35%, clerk contractual expense 40%, elections 84%, code enforcement 43%, Employee benefits 33%, for a cost reduction of \$48,000.** This was accomplished through changed staffing, automation, changes in agreements, and efficiencies.

The village employs and has budgeted for a full-time clerk, ½ time deputy clerk, ¾ time treasurer, 1 full time Laborer, ½ time laborer for a full-time equivalent (FTE)staff of 3.75. The FTE applicable to the general fund is 2.75. The remainder is allocated to the Water and Sewer funds.

During 2017-2019, the VOF tax levy did not increase and stayed at 302,620. VOF Board chose to forego an available increase of 2% (the maximum tax cap), saving taxpayers \$6,000 increases in tax level in each of those years in an effort to keep taxes as low as possible.

Tax assessment of village is \$39 million as of May 2019. It is 5% less than the pre-Hurricane Irene/Tropical Storm level. While numerous properties were lost during the storms, and are now reassessed as vacant land, assessed values have risen due to development projects in the village.

Property owners are investing in real estate in the village. 39 properties applied for building permits in this last year for renovations, repairs, and/or expansion.

See Appendix B for Income Statements 2015-2019, and Appendix E for taxable assessments 2010-2019.

Economic Development

Economic development is undertaken with other than village tax payer funds.

The village has raised funds to improve the image of the village through fundraising in collaboration with the Mark Project.

- Main Street Development Funds assisted property owners to upgrade their properties including their facades
- Maxbilt theater funding for building restoration and for feasibility study, positions the theater for lease or sale consistent with purpose of community asset
- East entrance to the village funding to Enhance image of village from Route 28
- Village park and playground funding to improve condition and usage of the park

The village raised funds to restore the pool as a community asset.

VOF board members assisted the film production company of “The Dead Don’t Die” in coordinating the film shooting schedule, and the spending of \$250,00 in the village (local hires, local property rentals and local purchases)

Volunteer initiatives have been supported by the village, particularly through Fleischmanns First to

- Promote local events (Memorial Day Street Fair, Maple Festival, House Tours, etc.) to local, regional and national audiences
- Founders day event, supported by Fleischmanns Yeast Brand reached new audiences with a reported media reach as follows:
 - Total mentions in regional and national media: 90 mentions
 - Total reach – 112,700,000, largest outlets were Associated Press and Parade Magazine
 - Publicity value was \$67,600

The County has a tax abatement program for new business development and capital investment available to all who apply and qualify

While the village does not use taxpayer funds to pay for economic development (other than the costs of fundraising), it supports these efforts through fundraising and collaboration.

5.0 Fiscal impact of Dissolution

The short-term fiscal impact comes as cost reductions and as NYS Aid to Municipalities (AIM) incentives. The impact is displayed in the chart below. See below for explanation of incentives.

Property assessed value	\$50,000	\$100,000	\$150,000	\$200,000
pretax combined county, town & village tax	\$796.70	\$1,593.41	\$2,390.11	\$3,186.82
post dissolution county, town & village tax with incentives	\$706.32	\$1,412.64	\$2,118.96	\$2,825.28
estimated annual savings with NYS incentives (11%)	\$90.38	\$180.77	\$271.15	\$361.53
estimated monthly savings	\$7.53	\$15.06	\$22.60	\$30.13
post dissolution county, town & village tax without incentives	\$760.55	\$1,521.10	\$2,281.65	\$3,042.20
estimated annual savings without NYS incentives (3%)	\$36.15	\$72.31	\$108.46	\$144.61
estimated monthly savings without incentives	\$3.01	\$6.03	\$9.04	\$12.05

Cost reductions

1. Salaries and contractual expenses of 4 trustees and Mayor would be completely eliminated with a savings of \$8,381.
2. Attorney fees of \$9,600 would be eliminated. Contractual legal expenses of \$5,000 would remain for foreclosure fees, and litigation contingencies
3. The cost of elections would be eliminated, saving \$800.
4. Municipal association dues of \$1,400 would be eliminated
5. Contract with Delaware County Planning Dept would be reduced from \$3,500 to \$1,000 saving \$2,500. \$1,000 is retained to continue the planning consultation relating to ongoing development projects in the village.

Total cost reductions are \$21,181 or 7% of Fleischmanns tax levy

NYS funded financial incentives

Citizen Empowerment Tax Credit (CETC) of New York offers an annual cash incentive of 15 % of the combined tax level of the Town and Village, 70% of which is to be dedicated to tax reduction, and the remaining 30% to defray anticipated increased costs of services.

The incentive is calculated as follows

- Cost rate per \$1,000 currently assessed by TOM to Fleischmanns residents

- Town general and highway \$2.561544 per \$1,000 assessed value
- The highway outside of village and general outside of village on the TOM tax bill are special districts established for services to hamlets and does not apply to VOF in this calculation
- Cost rate per \$1,000 currently assessed by Fleischmanns
 - Village rate \$7.767963 for all services including fire protection
- Combined Middletown and Fleischmanns rate
 - Total 10.329507
- County tax rate per \$1,000 is 5.604574 and is **not** subject to state incentives for dissolution
- Combined County, town and village tax rate is \$15.934081/1,000 assessed value
- Reductions in Village tax level is 7% cost savings and 10.5% incentives totaling 17.5%, **However, the overall reductions in property taxes is 11 % when including the County tax burden, and only 3% if the state tax incentives are not available**

School taxes remain the same, and are not subject to state incentives.

See Appendix G-Estimate of savings for details of this calculation.

Creation of Special Districts

VOF expenses would be assigned to special districts and assessed directly to property owners on the TOM annual tax bill:

1. Fleischmanns general (staffing, insurance, code enforcement)
2. Street, park, and village property maintenance
3. Lighting district
4. Fire district
5. Library and museum district

All the costs (net of reductions and efficiencies) would be taxed to village property owners and would appear on the Middletown tax bill as special districts. This is in addition to the Highway outside of village and General outside of village districts that Middletown taxpayers pay.

In addition to the short-term impact, a longer-term impact may arise to pay off the CWC loan through assessment to village property owners. That would immediately turn potential savings into potential costs. The NYCOM (New York State Conference of Mayors) guide reports on recent studies that show 2-5% expense savings in recent studies. See Appendix G for commentary from the NYCOM Guide on Dissolution. This is a valuable read to get the State's perspective on dissolution.

The dissolution of the VOF does not dissolve its debts liabilities and obligation.

The 2004 Fleischmanns Dissolution study concluded that there would be a 47 % reduction in taxes to village properties. That study assumed that only a lighting special district would be created and assessed to village residents. The 2004 study assumed that all other costs incurred by the village were to be absorbed by all taxpayers in the TOM. It is very optimistic that Middletown taxpayers would be willing to pay for village owned properties, the park, pool, library, museum, roads, and the insurance and maintenance thereof. Discussions with TOM officials indicate former village costs would stay with village residents, and would not be borne by TOM residents.

6.0 Other Impacts and Uncertainties

- VOF fund balances of \$678,712 as reported in section 3.0 above might be merged with TOM funds and allocated based on town-wide priorities
- VOF would lose village representation on the Scenic Byway Collaboration, Delaware County Soil and Water Project Advisory Committee, and The Middletown Flood Commission.
- Theater may be sold at auction
- Pool may be sold to a private entity
- Fleischmanns Park has a deed restriction that causes park ownership to revert to the Fleischmanns family heirs. The identification of heirs and resolution of ownership is likely to be settled in Surrogate Court. This process may take some time during which the Park will not be available for use (tennis courts, playground, soccer field).
- There is a remaining debt of \$300,000 the village owes to CWC that finances the unreimbursed costs of the restoration of the park and park floodplain. Should TOM not pursue reimbursement from FEMA, the debt would have to be repaid by village taxpayers
- The Fire Department may become a fire district, and would need to restructure to address additional administrative requirements of a Fire District
- All village assets would be transferred to TOM, except for the special case of the Village Park.
- Existing relationship with Cedarwood as Water and Sewer operator might be discontinued.
- Consolidation of staffing with TOM may accomplish efficiencies in processes, but at the higher TOM cost structure. TOM administrative salaries, Highway salaries, and employee benefits are at a higher rate than VOF. For the purposes of this study, the net effect cannot be calculated and is assumed to be \$0 cost reductions.
- TOM might retain the current level of services to the VOF but might not maintain a satellite office in the former village and municipal business would take place at Town Hall.
- **TOM is not bound to any plan developed by the two governing bodies, nor to any current agreements nor any particular level of service in VOF.**

7.0 Advantages and Disadvantages of Dissolution

ADVANTAGES	DISADVANTAGES	Comments
Property tax savings	Giving up control of village governance to a 3 rd party limits the ability of property owners, residents, and voters to influence the investment in, maintenance of, and quality of life of the Village	
Specialized equipment and staffing for highway maintenance	Village parking enforcement discontinued	
VOF Planning Board, Zoning Board of Appeals, and Village Board would be eliminated, reducing the need for volunteers to fill those positions	VOF Planning Board and Zoning Board of Appeals would be eliminated reducing village control of local priorities. Local laws would be sunset in two years	VOF laws are more restrictive

	following dissolution, and the TOM laws would prevail	
	Village Comprehensive plan is extinguished. Current efforts to regulate types of businesses and zoning would be diminished in the absence of the VOF Comprehensive Plan. Village activism and Investment as the gateway village to Middletown at the base of Belleayre Mountain would be inhibited due to lack of local leadership	
	No direct representation of Fleischmanns on the TOM Board	
	Less civic engagement due to lack of representation	
	Religious and non-profit exempt properties would be subject to fire district assessments and possibly other special district assessments	Restructuring the village fire department as a fire district may raise the costs of that function
<u>Highway/Road Maintenance</u> Consolidation may create an economy of scale for use of financial resources and personnel, TOM would manage all roads and in turn receive all revenues (specifically State funding of the Consolidated Highway Improvement Program CHIPS).	Current Intermunicipal Agreement with TOM would expire leaving VOF with no formal mechanism for requesting services. Road maintenance within the village would not necessarily improve as road paving is financed with annual allocations of CHIPS funding (both in TOM and VOF). The combined VOF and TOM funding will be given to TOM who will set Town wide priorities. TOM officials have stated that they do no empty trash cans, clear sidewalks, water flower barrels, or maintain ballfields.	
	Loss of autonomy, self-governance, and ability to control local laws, particularly zoning and planning, and ability to respond to property development, parking and other issues.	
	Grant funding for Fleischmanns economic development projects would not be under our control	

	and would reflect town wide priorities and not Fleischmanns priorities	
	The financial incentives from the state are intended to be in perpetuity but are subject to annual appropriation in the state budget and are not guaranteed.	

8.0 What is the timetable should the Referendum to Dissolve the Village pass?

Should the vote to dissolve pass, the following timetable is set by the State of New York

- Village Board meets within 30 days to plan the next steps
- The governing bodies (VOF and TOM) must prepare a reorganization plan and approve it by resolution within 180 days
- The approved reorganization plan must be displayed, posted on websites and published at least once each week for four successive weeks, no later than 5 days after plan is approved
- One or more public hearings on the proposed agreement or plan must be held within 35 to 90 days after plan is approved
- After the final public hearing, the governing body may amend the proposed agreement or plan. No later than 5 days after amendment, a summary must be displayed within each entity and posted
- Approval of the final agreement or plan within 60 days after close of last public hearing
- Dissolution or
 - Voters may submit a petition for a 2nd referendum on dissolution based on the reorganization plan with a minimum of 25% of registered voters, within 45 days
 - Referendum date set by VOF within 30 days of petition deemed sufficient
 - Referendum vote within 60-90 days
 - Summary of plan to be published at least once each week for four successive weeks prior to referendum

[Time table is extracted from the NYS Department of State Reorganization of Local Government publication, based on General Municipal Law Article 17-A]

Appendix A-Balance Sheets 2015-2019

Appendix B-Income Statements 2015-2019

Appendix C-Schedule of Fixed Assets

Appendix D- Village Budget, anticipated cost savings, and Prospective Special Districts

Appendix E-Schedule of Village Assessed Taxable values 2010-2019

Appendix F-Calculation of tax savings, tax rates/\$1,000

Appendix G-NYCOM excerpt

References:

NYCOM Guide to GML 17-A- Consolidation and Dissolution of Local Government
New York Dept of State – Reorganization of Local Government
1999 Land Use Study-NY Planning Federation
Cobleskill review of Dissolution Pros and Cons
Report on Ellenville Dissolution Study -EGSC Report
Village of Edwards Dissolution study
Municipal Efficiency Studies, Development Authority of the North Country (6 studies)
Village Dissolution studies conducted by CGR
Fleischmanns Dissolution Study 2004

VILLAGE OF FLEISCHMANN'S
Balance Sheet Comparison

GENERAL FUND

	May 31, 2015	May 31, 2016	May 31, 2017	May 31, 2018	May 31, 2019
ASSETS					
Current Assets					
Checking/Savings					
200 - CASH GENERAL FUND	16,911.15	126,440.79	66,221.75	310,375.20	332,637.22
200.1 - TRUST & AGENCY	-991.68	2,127.67	2,282.35	3,699.87	5,750.67
200.2 - GOOD NEIGHBOR	2,341.47	2,341.70	2,341.93	2,342.17	2,342.40
201 - TIME DEPOSITS - GENERAL FUND	19.10	19.10	19.10		
201.4 - FLEISCH. PLANNING/ZONING ESCROW				1,905.00	825.00
220 - PETTY CASH GENERAL FUND	50.00	50.00	50.00	50.00	50.00
230 - CASH SPECIAL RESERVES					
230.1 - CAPITAL REPAIRS	5,236.70	237.05	237.05	237.05	237.05
230.2 - FIREFIGHTERS EQUIPMENT	24,568.06	10,892.35	16,893.96	28,896.10	21,613.40
230.3 - FIREFIGHTER - TRUCK	79,436.59	117,992.89	155,048.20	235,447.89	212,259.96
230.4 - CWC SCHNEIDER AVENUE	32,683.95	32,687.22	32,690.49	32,693.75	32,696.70
Total 230 - CASH SPECIAL RESERVES	141,925.30	161,809.51	204,869.70	297,274.79	266,807.11
Total Checking/Savings	160,255.34	292,788.77	275,784.83	615,647.03	608,412.40
Accounts Receivable					
300 - BILLED RECEIVABLES		0.00	9,023.90	0.00	1,450.00
340 - DUE FROM WATER FUND		42,074.88	26,418.88	15,180.00	0.00
350 - DUE FROM SEWER FUND		19,047.58	30,349.12	10,006.28	0.00
320 - CHIPS GRANT RECEIVABLE	53,450.04	0.00	101,924.21		
330 - STATE GRANT RECEIVABLE	24,537.00				
410 - DUE FROM STATE AND FEDER.	235,341.48	24,246.26	583,873.75		
410 - DUE FROM STATE AND FEDERAL G	313,328.52	24,246.26	685,797.96	312,706.75	384,901.59
Total Accounts Receivable	313,328.52	85,368.72	751,589.86	337,893.03	386,351.59
Total Current Assets	473,583.86	378,157.49	1,027,374.69	953,540.06	994,763.99
TOTAL ASSETS	473,583.86	378,157.49	1,027,374.69	953,540.06	994,763.99
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
20000 - Accounts Payable	34,126.91	13.16	8,181.30	8,450.29	15,510.96
Total Accounts Payable	34,126.91	13.16	8,181.30	8,450.29	15,510.96
Other Current Liabilities					
601 - ACCRUED LIABILITIES		1,538.89	18,953.41	83.08	0.00
626 - BOND ANTICIPATION NOTE PA'	326,210.50	146,444.85	630,900.00	300,540.75	300,540.75
630 - DUE TO WATER FUND		0.00	12,015.70		
Total Other Current Liabilities	360,337.41	147,983.74	661,869.11	300,623.83	300,540.75
Total Current Liabilities	360,337.41	147,983.74	661,869.11	309,074.12	316,051.71
Total Liabilities	360,337.41	147,996.90	670,050.41	309,074.12	316,051.71
Equity					
32000 - Retained Earnings				-90.17	0.00
691 - DEFERRED REVENUE (INFLOW OF RES		0.00	299,153.51	324,077.75	316,869.80
878 - CAPITAL RESERVE -FIRE DEPT	103,975.60	128,884.15	171,942.16	264,333.86	233,838.33
882 - RESERVE FOR REPAIRS	37,920.13	32,921.00	32,927.54	32,930.81	32,930.81
917 - UNASSIGNED FUND BALANCE	-33.68	-48,559.22	68,330.36	-239,003.73	23,123.52
Net Income	-28,615.60	116,914.66	-215,029.29	262,217.42	71,949.82
Total Net Assets (Equity)	113,246.45	230,160.59	357,324.28	644,465.94	678,712.28
TOTAL LIABILITIES & EQUITY	473,583.86	378,157.49	1,027,374.69	953,540.06	994,763.99
Cash	18,330.04	130,979.26	70,915.13	318,372.24	341,605.29

VILLAGE OF FLEISCHMANNS GENERAL FUND
Profit & Loss Prev Year Comparison
 June 2015 through May 2019

	Jun 14 - May 15	Jun 15 - May 16	Jun 16 - May 17	Jun 17 - May 18	Jun 18 - May 19
1001 · REAL PROPERTY TAXES	224,983.28	271,420.15	260,939.30	294,169.53	279,602.61
1089 · RPTAXES-DELINQUENT	21,989.24	78,942.80	54,099.42	73,215.21	24,970.88
1090 · INT/PEN REAL PROPERTY TAXES	8,868.38	33,669.90	33,521.17	60,948.02	12,928.16
1170 · FRANCHISE FEES	200.00	0.00		600.00	8,467.74
1255 · CLERK FEES	59.75	2.00		1.00	102.00
1603 · VITAL STATISTICS FEES	10.00	40.00	70.00	0.00	160.00
2115 · PLANNING BOARD FEES	100.00	0.00		11,000.00	0.00
2265 · FIRE PROTECTION	113,408.00	108,670.00	109,770.00	111,220.00	111,040.00
2401 · INTEREST INCOME	33.08	36.35	44.94	54.06	246.08
2412 · RENTAL OF PROPERTY	5,100.00	4,675.00	5,100.00	5,100.00	5,100.00
2545 · LICENSES/PERMITS	0.00	800.00	0.00	403.71	1,850.00
2610 · MIDDLETOWN JUSTICE COURT	0.00	250.00	0.00		
2620 · BID DEPOSITS	180.00	0.00	0.00		
2665 · SALE OF EQUIPMENT				0.00	1,025.00
2680 · INSURANCE RECOVERIES	9.75	0.00			
2701 · REFUND, PRIOR YR EXP	826.38	0.00	10.29	0.00	1,479.67
2705 · GIFTS AND DONATIONS	0.00	27,621.16	6,342.22	99,452.57	23,417.00
2770 · SEWER FUND-CLERICAL REIMBUI	23,567.28	0.00	0.00		
3001 · ST AID - PER CAPITA	2,841.00	2,842.00	2,843.00	2,806.00	2,468.00
3005 · MORTGAGE TAX	784.53	1,843.42	2,109.86	2,284.42	2,030.23
3100 · STATE GRANT - SMART GROWTH	62,225.00	0.00		0.00	6,000.00
3501 · CHIPS AID	53,450.04	0.00	101,924.21	14,608.00	112,921.65
3989 · STATE AID GRANT REIMBURSEME	0.00	734.00	28,560.99		
4960 · FLOOD AID	324,760.48	112,390.08	251,901.99		
	843,396.19	643,936.86	857,237.39	675,862.52	593,809.02
Expenses					
1010.1 · TRUSTEES P.S.	4,473.26	4,700.00	4,412.16	4,278.98	5,091.52
1010.4 · TRUSTEES C.E.	615.00	311.73	0.00	63.24	0.00
1210.1 · MAYOR P.S.	2,400.00	2,400.00	2,206.86	2,445.14	2,291.63
1210.4 · MAYOR C.E.			0.00	0.00	208.33
Total 1325.1 · TREASURER P.S.			6,114.81	6,341.65	15,712.67
1320.1 · BOOKKEEPER P.S.	3,837.70	4,318.50	4,063.18		
1320.4 · BOOKKEEPER C.E.	136.45	0.00	36.90		
1325.4 · TREASURER C.E.	3,290.88	4,328.95		1,504.34	805.76
Total 1410.1 · CLERK P.S.	46,328.83	32,570.11	41,028.54	19,388.96	13,455.00
1410.11 · DEPUTY CLERK				1,620.00	5,574.30
1410.2 · CLERK EQ				355.00	109.99
1410.4 · CLERK C.E.	5,522.68	4,477.79	4,911.41	3,377.61	3,273.25
1420.1 · ATTORNEY FEE	13,000.00	11,666.02	14,135.73	9,140.53	9,768.99
1420.4 · ATTORNEY C.E.	10,998.24	105.29	3,930.42	0.00	4,924.55

	Jun 14 - May 15	Jun 15 - May 16	Jun 16 - May 17	Jun 17 - May 18	Jun 18 - May 19
1450.4 · ELECTIONS C.E.	1,701.09	1,350.65	1,575.55	300.00	285.00
1480.4 · PUBLIC INFORMATION C.E.	601.18	369.89	682.66	1,285.15	1,239.16
1620.2 · BUILDINGS EQ	222.36	862.65	1,897.48		
1620.4 · BUILDINGS C.E.	10,968.55	10,585.39	9,052.80	19,062.56	16,087.72
1910.4 · UNALLOCATED INS.	19,129.30	20,660.68	18,939.27	31,395.40	34,076.41
1920.4 · MUNICIPAL ASSOCIATION DUES	727.00	1,362.00	1,589.00	1,337.00	812.00
1989.4 · GRANT WRITING C.E.	5,866.64	12,499.99	0.00	0.00	10,000.00
Total 3410.4 · FIRE DEPT C.E.	55,230.19	52,519.61	59,509.59	67,413.62	58,361.29
3620.4 · CODE ENFORCEMENT, C.E.	20,000.00	11,666.70	13,809.51	9,857.14	11,458.35
4010.1 · PUBLIC HEALTH P.S.			309.00		
4020.4 · REGISTRAR OF VITAL STATISTICS				276.00	0.00
5020.4 · ENGINEERING C.E.				10,408.45	9,554.80
Total 5110.1 · STREET MAINTENANCE P.S.	29,513.80	23,797.47	29,796.80	27,849.29	31,693.48
5110.11 · PART TIME STREET MAINTENANCE	0.00	3,171.44	706.50	2,015.00	3,939.00
5110.2 · STREET MAINTENANCE EQ				3,461.96	4,139.12
5110.4 · STREET MAINTENANCE C.E.	107,841.22	40,635.33	35,177.97	14,137.37	24,405.74
5112.2 · CHIPS PROGRAM C.E.	53,450.04	18,482.61	101,924.21	24,441.16	112,921.65
5130.2 · STREET/ROADS, EQ.				0.00	865.10
5142.1 · SNOW REMOVAL P.S.	1,372.50	0.00		819.88	123.50
5142.4 · SNOW REMOVAL C.E.	411.24	5,185.81	12,150.96	3,427.50	0.00
5182.4 · STREET LIGHTING C.E.	13,502.77	11,119.62	13,708.11	13,124.38	11,641.46
7140.2 · PLAY/RECREATION EQ				0.00	1,200.00
7140.4 · PLAY/RECREATION C.E.	1,789.92	3,358.63	2,529.23	7,892.88	1,572.87
7310.4 · YOUTH PROGRAM C.E.			157.09		
7410.4 · LIBRARY CONTRACTUAL EXPENSE	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
7450.4 · MUSEUM C.E.	102.00	2,734.00	0.00	1,000.00	1,000.00
7550.4 · CELEBRATIONS C.E.	250.00	250.00	250.00	250.00	418.50
8020.4 · PLANNING BOARD C.E.	3,518.69	3,514.75	3,546.00	12,658.75	4,580.00
8130.4 · UNSUBSIDIZED SEWER CHARGE	0.00	1,000.00	1,000.00	1,000.00	735.27
8510.2 · COMMUNITY BEAUTIFICATION, Eqt & Svc				0.00	6,000.00
8510.4 · COMM BEAUTIF, C.E.				517.00	500.00
8760.2 · DISASTER RELIEF - SNACK SHAL	0.00	99,379.04	22,233.00	9,655.00	0.00
8760.4 · EMERGENCY/DISASTER RELIEF	324,760.48	39,022.09	528,822.50	4,065.14	747.38
Total 9011.8 · EMPLOYEE BENEFITS	52,354.68	42,140.49	49,368.06	43,609.78	35,285.41
9560.9 · CAPITAL RESERVE, FIRE DEPT	59,750.00	45,796.45	66,250.00	41,618.88	68,000.00
9730.7 · BOND ANTICIPATION NOTE INTEREST	1,011.80	1,678.52	7,441.38	3,250.36	0.00
Total Expense	863,678.49	527,022.20	1,072,266.68	413,645.10	521,859.20
Net income	-20,282.30	116,914.66	-215,029.29	262,217.42	71,949.82

Village of Fleischmanns

Fixed assets

	5/31/2019
	Replacement Cost, Original Cost or Assessed Value
Buildings	
1017 Main Street-Village Office and Libray	947,830
1009 Main Street - Museum	92,034
320 Wagner Avenue - Pool restrooms	24,263
320 Wagner Avenue - pool, pool pump house	215,785
1282 Main Street - Highway garage	464,215
101 Takanasee Rd -Salt barn	64,605
129 Main Street - - Sewer Plant	4,984,916
492 Main Street, Pump House and Office	891,053
932 Main Street, Theater	257,500
121 Park Road - Snack Shack	545,900
Fire Hall	556,702
Chlorine Shed	75,000
Highway Garage	160,980
Other	
Ball Park	72,800
Main Street Parking Lot	72,800
Village Parking Lot (least Entrance)	25,980
	<u>9,452,363</u>
Fire department equipment	
Fire Truck 1311 pumper	366,024
Fire Truck 1313 pumper	384,698
Fire Truck 1391 brush truck	184,012
Fire truck 1361 Rescue truck	460,030
Fire Dept chief	4,500
Triton Trailer	7,500
2018 ATV	29,000
personal property (equipment)	60,000
subtotal	<u>1,495,764</u>
Garage vehicles and equipment	
John Deere Plow	3,000
John Deere Backhoe/Loader 2006	50,000
John Deere Tractor with deck	13,000
Chevrolet 3500 Dump Truck w/ V/Plow 2009	75,000
small machines/equipment	2,000
subtotal	<u>143,000</u>
	11,091,127

VILLAGE OF FLEISCHMANN'S GENERAL FUND									
Profit & Loss Budget vs. Actual									
Approved Budget June 1, 2019-May 31, 2020									
		Approved Budget 2019.2020	Expense eliminations	Recurring expense	Core staffing & functions	Street, park, village property maintenance	lighting district	fire district	library & museum district
Expense									
	1010.1 · TRUSTEES P.S.	5,356		5,356	5,356				
	1010.4 · TRUSTEES C.E.	250		250	250				
	1210.1 · MAYOR P.S.	2,575		2,575	2,575				
	1210.4 · MAYOR C.E.	200		200	200				
	1325.1 · TREASURER P.S.	15,747		15,747	15,747				
	1325.4 · TREASURER C.E.			0					
	1410.1 · CLERK P.S.	15,883		15,883	15,883				
	1410.11 · DEPUTY CLERK	7,500		7,500	7,500				
	1410.4 · CLERK C.E.	3,000		3,000	3,000				
	1420.1 · ATTORNEY FEE	9,600		9,600	9,600				
	1420.4 · ATTORNEY C.E.	5,000		5,000	5,000				
	1450.4 · ELECTIONS C.E.	800		800	800				
	1480.4 · PUBLIC INFORMATION C.E.	800		800	800				
	1620.2 · BUILDINGS EQ	3,000		3,000		3,000			
	1620.4 · BUILDINGS C.E.	15,000		15,000		15,000			
	1910.4 · UNALLOCATED INS.	35,000		35,000	35,000				
	1920.4 · MUNICIPAL ASSOCIATION	1,400		1,400	1,400				
	1989.4 · GRANT WRITING C.E.	10,000		10,000	10,000				
	1990.4 · CONTINGENCY ACCOUNT	9,142		9,142	9,142				
	3410.4 · FIRE DEPT C.E.	68,000	-55,610	12,390				12,390	
	3510.4 · CONTROL OF DOGS C.E.	300		300	300				
	3620.4 · CODE ENFORCEMENT, C.E.	13,500		13,500	13,500				
	4010.1 · PUBLIC HEALTH P.S.	325		325	325				
	5020.4 · ENGINEERING C.E.	28,000		28,000	28,000				
	5110.1 · STREET MAINTENANCE P.S.	31,861		31,861		31,861			
	5110.11 · PART TIME STREET MAINT	15,000		15,000		15,000			
	5110.2 · STREET MAINTENANCE EQ	78,380	-70,000	8,380		8,380			
	5110.4 · STREET MAINTENANCE C.E.	117,000	-95,000	22,000		22,000			
	5112.2 · CHIPS PROGRAM C.E.	5,000		5,000		5,000			
	5130.2 · STREET/ROADS, EQ.	1,000		1,000		1,000			
	5142.1 · SNOW REMOVAL P.S.	4,000		4,000		4,000			
	5142.4 · SNOW REMOVAL C.E.	2,000		2,000		2,000			
	5182.4 · STREET LIGHTING C.E.	13,000		13,000			13,000		
	7140.2 · PLAY/RECREATION EQ	287,000	-287,000	0		0			
	7140.4 · PLAY/RECREATION C.E.			0					
	7410.4 · LIBRARY CONTRACTUAL E	9,000		9,000					9,000
	7450.4 · MUSEUM C.E.	1,000		1,000					1,000

		Approved Budget 2019.2020	Expense eliminations	Recurring expense	Core staffing & functions	Street, park, village property maintenance	lighting district	fire district	library & museum district
7550.4 · CELEBRATIONS C.E.		250		250		250			
8010.4 · ZONING BOARD C.E.		3,500		3,500	3,500				
8130.4 · UNSUBSIDIZED SEWER CH		2,000		2,000		2,000			
8510.4 · COMM BEAUTIF, C.E.		500		500		500			
8760.4 · EMERGENCY/DISASTER RELIEF, C.E.				0					
9011.8 · EMPLOYEE BENEFITS		35,721		35,721	35,721				
9560.9 · CAPITAL RESERVE, FIRE D		68,000	-55,610	12,390				12,390	
9730.6 · BOND ANTICIPATION NOTE PRIN									
Reserve for village truck replacement				7,000		7,000			
Reserve for property/equipment repair				5,000		5,000			
				-70,750	-70,750				
Total Expense		924,590		302,620	132,849	121,991	13,000	24,780	10,000
potential cuts at consolidation		21,181							
assessed value Fleischmanns		38,957,446							
rate per \$1,000				7.767963	3.410105	3.131391	0.333697	0.636079	0.256690

Fleischmanns Real Estate Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TAX LEVY	275,800	271,577	271,547	259,039	282,703	295,615	296,536	302,620	302,620	302,620
RATE PER \$1000	12.87	12.666994	6.6376	6.7602	7.31894	7.59	7.6137	7.80511	7.756864	7.76971
TAXABLE ASSESSMENT			40,910,426	38,318,443		38,947,986	38,947,825	38,772,047	39,013,188	38,957,446
EXEMPT ASSESSMENT			8,988,788	8,838,951		9,348,930	9,285,059	9,612,593	9,525,528	9,593,263
# EXEMPT PARCELS			44	44	0	43	40	44	45	43
EXEMPT PARCELS										
county			1	1		1	1	5	6	6
Muni corp			1	1			1	1	1	1
village owned			8	8		8	8	8	8	8
muni tov			1	1		1	1	1	1	1
Non Profit or religious organization			16	16		16	16	16	17	17
Volunteer Fire Dept			1	1		1	1	1	1	1
railroad			1	1		1	1	1	1	1
cemetary assn			2	2		2	2	2	2	2
trust			1	1		1	1	1	1	1
eligible veteran (county,town) ct			1	1		1	1	1	1	1
eligible veteran (county)			7	7		8	5	4	4	2
Aged T			3	3		2	1	1		
mass telecommunications							1	1	1	1
business improvement (county, town,villa			1	1		1		1	1	1
total			44	44	0	43	40	44	45	43

SNAPSHOT OF FINANCIAL IMPACT OF DISOLUTION

Calculation of incentives based on current tax levys

tax levy per \$1,000 assessed value (from Middletown tax bill 2019) applicable to Fleischmanns

County General	5.604574
Town general and highway	2.561544
Highway outside of village	1.424072
General outside of village	0.211268
Middletown+ County tax rate to Fleischmanns	8.166118
Fleischmanns tax rate to Fleischmanns	7.767963
pre disolution tax per \$1,000 assessed value	15.934081

Tax levy	
Middletown Town Highway and general (from tax bill)	1,836,418 from middletown tax bill
Fleischmanns	302,620 from Fleischmanns tax bill

Combined tax levy 2,139,038 total tax levy

15% x .7 (70% directed at tax reduction) or 10.5% 224,599 incentive a

Cost reductions and incentives
 21,181 or 7% of Fleischmanns tax levy
 fleischmanns share of incentive 10.5%

total reductions 17.5% of tax levy for Fleischmanns	1.807663725
total reductions excluding incentives	0.72306549
total reductions excluding incentives	
Post disolution combined tax rate including incentives	14.12641728
Post disolution combined tax rate excluding incentives	15.21101551

Property assessed value	\$50,000	\$100,000	\$150,000	\$200,000
pretax combined county, town & village tax	\$796.70	\$1,593.41	\$2,390.11	\$3,186.82
post disolution county, town & village tax with incentives	\$706.32	\$1,412.64	\$2,118.96	\$2,825.28
estimated annual savings savings with NYS incentives	\$90.38	\$180.77	\$271.15	\$361.53
estimated monthly savings	\$7.53	\$15.06	\$22.60	\$30.13
post disolution county, town & village tax without incentives	\$760.55	\$1,521.10	\$2,281.65	\$3,042.20
estimated annual savings savings without NYS incentives	\$36.15	\$72.31	\$108.46	\$144.61
estimated monthly savings without incentives	\$3.01	\$6.03	\$9.04	\$12.05

[Excerpt from NYCOM Guide to General Municipal Law]

2. Resulting Efficiencies

The dissolution studies that have been conducted to date have shown that efficiencies resulting from village dissolution run in the area of 2% to 5% of the total town and village expenses. The reason the efficiencies are so small is generally found in the fact that both towns and villages run relatively efficient operations. In addition, most villages are frequently already engaged in inter-municipal agreements with either the town or another municipality, which has already achieved cost-savings through efficiencies. Finally, villages generally provide types and levels of services not being provided (or not being provided on a town-wide basis) by the surrounding town. Thus, dissolution studies generally provide for the creation of, on average, more than four special districts and for the town to hire much of the village staff to continue to provide the services that the village provides. Consequently, communities may not see significant savings or improvements in service because of improved efficiencies resulting from village dissolution.

3. Change in Taxes

Despite the relatively minimal amount of efficiencies created by village dissolution, village residents are still likely to see a reduction in their taxes as a result of village dissolution. As a general rule, the source of reduction in property taxes comes not from increased efficiencies or elimination of the duplication of services, but *predominantly* from village residents no longer subsidizing town operations. That is, village dissolution frequently adjusts for the inequity of village residents paying town taxes for town services not provided within the boundaries of the village. Village officials and residents considering dissolution must weigh these projected cost-savings against the loss of local control over services and policies, as well as the resulting change in representation (or potential lack thereof) on the town board.

Conversely, it is important to note that town residents who live outside of a village located within the town's boundaries are likely to see their taxes *increase* as a result of village dissolution. Any dissolution study should identify the extent to which and why this is occurring, namely that if the village dissolves, the village residents will no longer be subsidizing town operations.

4. State Aid

In an effort to incentivize the consolidation of local governments, New York State has established a program that increases State Aid to local governments that consolidate or dissolve. Under this program called Consolidation Incentive Aid, if a village dissolves, the town(s) in which the village is located is eligible to receive an increase in its annual State Aid equal to 15% of the combined town and village tax levy (not to exceed \$1 million annually). While this enhanced Aid is structured as "permanent," it is subject to annual appropriation in the State Budget.

COMMENTARY:

*Because the state's Consolidation Incentive Aid, or any other State Aid, is **NOT** guaranteed, village officials are strongly advised not to calculate this pledged increase in funding into the fiscal projections should the village dissolve. Rather, communities are encouraged to analyze the merits of dissolving the village based upon the resulting changes in services and costs at the local level.*

5. Establishing Districts and Understanding the Differing Cost-Structures

As previously noted, on average, every village dissolution results in the creation of four town special districts. When planning to form special districts, officials should examine whether it is in the best interest of the village residents to form a special district solely for the village residents (if the village is in fact dissolved) or to join an existing town special district. As a general rule, the marginal cost for providing services in New York's villages are lower than providing the same level of service to the less densely populated areas of the town outside of the village. For example, pursuant to its 2009 Dissolution Plan,⁵ in the Village of Seneca Falls, the cost of the village providing fire service to the village residents is \$0.59/\$1,000 of assessed value. This is compared to the town fire protection district's cost of \$1.18/\$1,000. Pursuant to the proposed dissolution plan, upon the dissolution of the village, the town's fire district would be expanded town-wide to include the footprint of the village. The cost of the resulting fire district would be \$0.97/\$1,000, a 64% increase in the cost residents of the former village would pay for fire service.