

HIGHLIGHTS OF THE DISSOLUTION PLAN & PROCESS

- In April 2014, the electorate of the Village of Salem submitted a petition for dissolution in accordance with General Municipal Law Article 17-A.
- On August 5, 2014, the referendum for dissolution was approved by a majority of the qualified voters of the Village. The vote was 192 to 49. As a result, the Village Board is required to prepare and adopt an elector initiated proposed Dissolution Plan.
- The Steering Committee submitted the Proposed Dissolution Plan to the Village Board on December 18, 2014.
- The Village Board approved the plan on January 13, 2015.

The Village Board may amend and approve the Final Dissolution Plan within 60 days of the close of the last public hearing. A petition for Permissive Referendum must be received within 45 days after the Village Board approves the final plan.



WHAT ARE THE POTENTIAL PROPERTY TAX IMPLICATIONS OF DISSOLUTION?

Upon dissolution, the Town is eligible receive an annual Citizen Empowerment Tax Credit (CETC) of \$117,738 per year to apply toward the reduction of the Town tax levy.

With the CETC it is estimated that the tax rates for former Village property-owners would decrease by approximately 46%, an estimated savings of \$523 on a property with an assessed value of \$100,000.

With the CETC town property-owners would see an estimated decrease of 13%, which is equivalent to a savings of \$70 on a property with an assessed value of \$100,000.

The Dissolution Plan Steering Committee considered all potential cost savings solutions of Village dissolution, what services would be maintained, and what costs would be transferred to the Town Budget. The Dissolution Plan contains a detailed discussion on the fiscal impacts of dissolution using 2014 FY budget information as a baseline to calculate the projected tax rate changes. The figures are projections, based on information provided by the Village, and the services/cost changes recommended by the Steering Committee. See section VIII of the Dissolution Plan for more details, as well as the Service Cost Shift Worksheet in Appendix B.

VILLAGE OF SALEM DISSOLUTION PLAN OVERVIEW



HOW WILL DISSOLUTION IMPACT EXISTING VILLAGE SERVICES AND EMPLOYEES?

Village Board & Mayor: The Village Board of Trustees and the Village Mayor positions will be abolished. The Town Board will represent former Village residents in the absence of a Village government.

Village Justice: All part-time positions associated with the Village Justice Court will be abolished. The Town Justice and Town Justice Clerk will assume all duties.

Clerk/Treasurer/ Tax Collector: The Village Clerk/Treasurer position will be abolished. The Town Clerk will assume all duties. Where appropriate, certain duties may be delegated to the Town Supervisor's part-time Confidential Clerk.

Public Works: The Superintendent of Public Works position will be abolished and all other DPW positions existing at the time of dissolution will be eliminated. The Town Highway Superintendent and Highway Department staff will provide all street maintenance, snow plowing, park maintenance, mowing, grounds keeping, and other services to the area of the former Village. It is expected that the Town will create 1 new full-time (estimated at 40hrs/wk) and 1 new part-time position (estimated at 30 hrs/wk) to expand the Highway Department's capacity to service the needs of the former Village. It is estimated that the workload of this new full-time Town employee will be divided equally between public water and highway services. Qualified, former Village employees will be considered when the opening becomes available.

Public Water: Public water services for Village residents will be maintained. The Town Board will establish a new Salem Water District, as provided by Articles 12 and 12-A of the Town Law. The operation of this district will be subject to the decisions of the Town Board. Costs of operating the Water District will be met by user fees levied on real property owners who own land within the Water District's boundaries. All of the real property lying within the bounds of the Water District

will be subject to the indebtedness of such district, including any outstanding obligations and bonds issued at the time of construction of the public water supply system. Billing duties will be absorbed by the Town Clerk and/or the Town Supervisor's part-time Confidential Clerk and will be paid for by the new Water District. Salary and benefits costs associated with staff support for the new Water district will be allocated to the new Water District as appropriate.

Village Library: Current Library personnel will not be impacted by village dissolution. Budgeted Village costs associated with the Library will be transferred to the Town budget. Upon dissolution, the current public library charter will also dissolve and the library will have to apply to the NYS Board of Regents for a new library charter.

Crossing Guard: Position will not be impacted. Budgeted Village costs associated with the position will be transferred to the Town budget.

Street Lighting: The Town Board will establish a new Salem Lighting District as provided by Articles 12 and 12-A of the Town Law. The Town will assume responsibility for maintenance and repair of all streetlights within this District. The operation of this District will be subject to the decisions of the Town Board. Costs of operating the Lighting District will be met by taxes levied on the benefited real property located within the bounds of the Lighting District.

Cultural & Recreational Services: All costs and responsibilities for cultural and recreational services (youth and senior programs) will be incorporated into town-wide culture and recreation programs. The Village Historian currently serves in the capacity of Town Historian; therefore, this position will remain unchanged.

Village-owned Properties & Equipment: The Town will take title to all Village owned properties and will honor all existing agreements or other arrangements between the Village and other users of Village property (i.e., Bancroft Public Library and Salem Volunteer Fire Department Inc.). The Town will likely incorporate most of the current Village-owned equipment

into townwide Highway operations. The Highway Superintendent will determine which pieces of equipment it will retain, and if considered redundant, will auction off remaining equipment.

Bank Accounts, Village Books and Records: Upon dissolution an independent audit of the Village books will be performed. All records, books and papers shall be deposited with the Town Clerk of the Town of Salem and they shall there upon become a part of the records of the Town. Prior to the effective date of dissolution, the Village of Salem will use any remaining General Fund balance as well as the remaining balance in the DPW Equipment Reserve account to pay down existing debt and reduce the overall obligations upon former village property owners. Any remaining Library and Water fund balances will be transferred to the Town and used to benefit water and library users. The Village's Water Reserve accounts will be transferred to the Town, and will be kept as a separate restricted reserve accounts by the Town to benefit the Village water system. The Trusts and Library Savings Accounts will be transferred to the Town and will be kept as separate restricted accounts for the same historically established purposes.

Local Laws, Plans, Boards, and Commissions: All Village local laws, ordinances, rules or regulations, in effect on the date of dissolution shall remain effective for a period of two years following dissolution. Such local laws, ordinances, rules or regulation shall be enforced by the Town within the limits of the dissolved Village as if they had been duly adopted by the Town Board. At any point during the two year period, the Town Board shall have the power to review, adopt, amend or repeal such local laws, ordinances, rules or regulations in the same manner as other local laws, ordinances, rules or regulations of the Town. If no action is taken by the Town Board within the two year period, the law(s) will be automatically repealed.