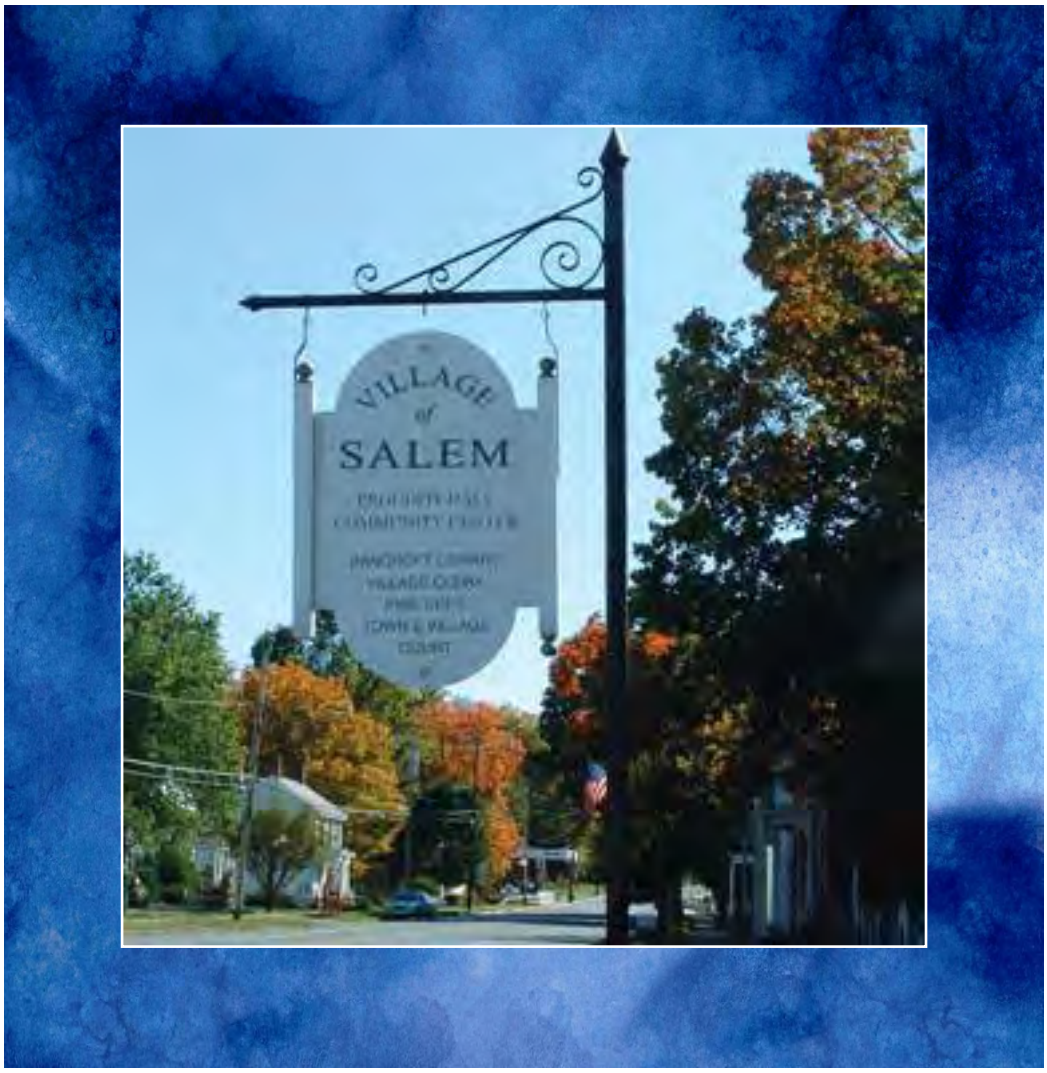
VILLAGE OF SALEM

DISSOLUTION PLAN

APRIL, 2015



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SURVEYING PLANNING
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Acknowledgments

The Village of Salem would like to recognize and thank the many staff people of the Village and Town of Salem for providing valuable data, local input and guidance to the consultant throughout the process, as well as the members of the Village of Salem Dissolution Plan Steering Committee, which is made up the following board members, and residents of the Village and Town of Salem:

Village Board of Trustees

Sonia Trulli, Mayor
Paul Kobyluch, Village Trustee
John Boyce, Village Trustee
Marcus Blanck, Village Trustee
Fred Blanck, Village Trustee
Jim Bain, Village Trustee Elect

Dissolution Plan Steering Committee

John Boyce, Village Trustee
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Seth Pitts, Supervisor Town of Salem
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Kyle Hunter, Village Resident/Business Owner
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Table of Contents

I. DISSOLUTION PROCESS & PLAN SUMMARY 1
- Overview of the Dissolution Process 1
- Plan Summary 2
- Required Dissolution Plan Elements 3
- Effective Dissolution Date 7
- Public Hearing on the Dissolution Plan 7

II. DEMOGRAPHIC & SOCIO-ECONOMIC OVERVIEW 8
- Overview 8
- Population 8
- Road Network 9
- Age Distribution 9
- Household Composition 10
- Housing Stock 10
- Income 11

III. DISSOLUTION OF GOVERNMENT SERVICES, FUNCTIONS & EMPLOYEES 12
- Village Mayor and Village Board of Trustees 12
- Village Justice 12
- Clerk/Treasurer 13
- Tax Expense 13
- Assessor 13
- Election Inspectors 14
- Crossing Guard 14
- Registrar of Vital Statistics 14
- Code Enforcement 15
- Undistributed Employee Benefits: 15
- Insurance/Contingency Fund 15
- Village Hall/Bancroft Public Library (Shared Services) 15
- Transportation (Public Works Department) 16
- Street Lighting 17
- Culture and Recreation 17
- Community Beautification 17
- Public Water 18
- Bancroft Public Library 19
- Zoning Board of Appeals 19
- Historic Preservation Commission 20
- Salem Volunteer Fire Department 20
- Salem Rescue Squad 20
- Police Protection 21
- Conclusions 21

IV. DISPOSITION OF VILLAGE ASSETS 22
- Village–owned Real Property 22
- Personal Property 22
- Village–owned Equipment 22
- Bank Accounts, Village Books and Records 23

V. DISPOSITION OF LIABILITIES, FUND BALANCES & INDEBTNESS 24
- Liabilities 24
- Indebtedness 24

VI. AGREEMENTS & LOCAL LAWS UPON DISSOLUTION 25

Agreements Necessary for Dissolution 25
Local Laws, Plans, Boards, and Commissions 25
Post Dissolution Conditions 25

VII. FISCAL IMPACTS OF DISSOLUTION 31

Fiscal Estimate of the Cost of Dissolution 31
Projected Tax Impact of Dissolution (No CETC Savings) 32
Projected Tax Impact of Dissolution (90% CETC Savings) 33
Projected Tax Impact of Dissolution (70% and 100% CETC Savings) 33

VIII. OTHER MATTERS PERTINENT TO DISSOLUTION 37

Other Matters Pertinent to Dissolution 37
Creation of Special District – Water 37
Creation of Special District – Lighting 38

TABLES & FIGURES

Table 1: Municipal Characteristics Summary 8
Table 2: Population Trends 8
Table 3: Road Centerline Mileage 9
Table 4: Age Comparison 9
Table 5: Household Composition 10
Table 6: Housing Type 10
Table 7: Household Income 11
Table 8: Village-owned Real Property 22
Table 9: Village-owned Equipment Inventory 23
Table 10: Village Bank Accounts 23
Table 11: Village Law Dissolution Impact 29
Table 12: Projected Tax Impact of Dissolution (No CETC Savings) 32
Table 13: Projected Tax Impact of Dissolution (90% CETC Savings) 33
Table 14: Projected Tax Impact of Dissolution (70% CETC Savings) 34
Table 15: Projected Tax Impact of Dissolution (100% CETC Savings) 34
Table 16: Budget Before Dissolution 35
Table 17: New Town of Salem Budget Estimate After Dissolution 35
Table 18: Citizen Empowerment Tax Credit (CETC) Calculations 36

MAPS

Village of Salem Boundary Map 6

APPENDICES

Appendix A: Local Road Listing
Appendix B: Village Service Cost Shift Worksheet, FY 2014-15
Appendix C: Property Insurance Coverage/Values
Appendix D: Detailed Equipment Lists and Insurance Information
Appendix E: Resolutions and other documentation regarding existing Village Accounts & Trusts
Appendix F: Guidance Documents and Procedures for Creating Special Districts

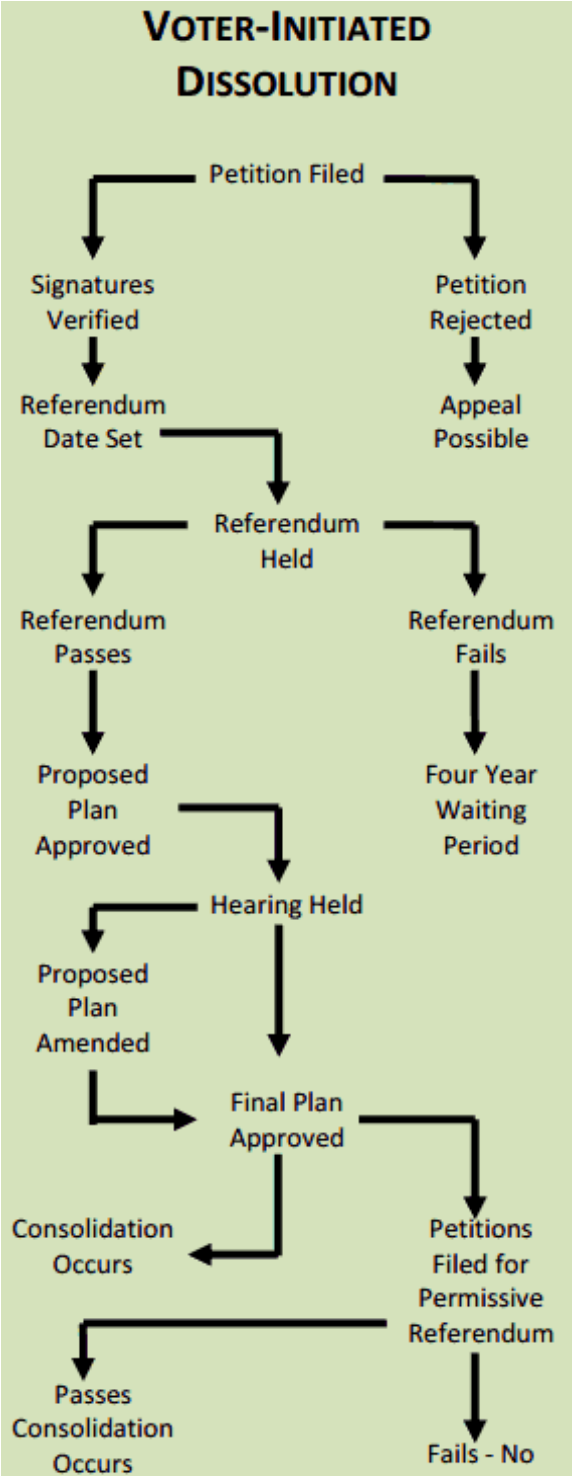
I. Dissolution Process & Plan Summary

Overview of the Dissolution Process

The New N.Y. Government Reorganization and Citizen Empowerment Act (Article 17-A of the General Municipal Law) provides a process for voters to petition for a public vote on consolidating or dissolving their local government. In April 2014, the electorate of the Village of Salem submitted a petition for dissolution in accordance with General Municipal Law Article 17-A. The petition contained 116 valid signatures, over 20% of the registered voters. The Village Clerk reviewed and certified the petition on April 7th and on May 7th the Village Board passed a resolution calling for a referendum on the proposed dissolution by the electors on August 5, 2014. From this point, the dissolution process is required to follow the Voter-Initiated timeline outlined in General Municipal Law Article 17-A (*see flow chart to the right)*.

The Village of Salem successfully applied for and received a grant through the Citizens Re-Organization Empowerment Grant (CREG) program, which is administered by the New York Department of State Division of Local Government Services, through the Local Government Efficiency Program (LGE). Because the dissolution was a voter initiated process, Expedited Reorganization Assistance was provided by the program to cover costs associated with the development and dissemination of information to the electors prior to the required referendum and to further develop a detailed Dissolution Plan following an affirmative vote.

Although Article 17-A specifies that the full detailed plan for dissolution not be developed until after the referendum is passed; however, in order to provide the voters of the Village of Salem with preliminary information on the potential fiscal impacts of dissolution, the Village initiated the development of the Interim Report. The Interim Report was presented at a public meeting on July 31, 2014.



Source: The New NY Government Reorganization & Citizen Empowerment Act: A summary of the process for consolidation and dissolution, NYS DOS, June 2009

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. As required by state law, the Village Board met to discuss the dissolution process on September 3, 2014.

The Village Board appointed the Dissolution Plan Steering Committee to provide valuable local input and guidance to the Laberge Group (the consultant) in the development of this Dissolution Plan. The Committee met regularly to consider the following:

- How are municipal services currently delivered by the Village?
- If the village dissolved, what services currently performed by the Village will be continued to be provided by the Town, changed in some manner, or eliminated?
- How will dissolution potentially affect existing Village employees?
- What are the potential property tax implications of dissolution?
- What are the financial obligations of the Village, and how will these obligations be managed and financed by the Town?

The Village Board also engaged a professional legal team to review the existing Village Laws and rules or regulations in comparison to Town Laws to determine the future action that would be required to consolidate the laws upon dissolution, as well as to provide legal opinions on other areas of concern.

If, within 45 days after the Dissolution Plan is finalized, a petition for a permissive referendum containing signatures from not less than 25% of the registered voters of the Village is filed with the Village Clerk, a second vote will be held to determine whether the majority of Village voters approve the implementation of the Dissolution Plan.

Plan Summary

This document presents a proposed dissolution plan that is recommended to the Village Board. This report has eight sections.

- **Section I** presents an overview of the elector initiated dissolution plan process, addresses the specific requirements set forth in GML 17-A §774, and other explanatory commentary.
- **Section II** is a summary of demographic and socio-economic data to highlight current and past trends to aid municipal officials with understanding trends as they may relate to future decisions on service delivery to the area of the former Village.
- **Section III** is a discussion of existing government services and functions currently delivered by the Village of Salem directly, and their related cost according to the 2014-2015 Village Budget, a description of the proposed post-dissolution conditions for the continued delivery of municipal services, and the mechanism that will be used to furnish services to former Village residents.
- **Section IV** outlines the existing Village assets including real property, Village equipment, and personal property and a description of the proposed plan for the disposition or transfer of such assets.

- **Section V** is a summary of existing Village liabilities as well as the fund balances and indebtedness and a description of the proposed plan for such liabilities and indebtedness.
- **Section VI** is a summary of the existing Village local laws, ordinances, rules or regulations, Boards, Committees and Commissions in effect on the date of dissolution, and the proposed plan of action upon dissolution.
- **Section VII** presents the projected tax impact of the proposed dissolution plan.
- **Section VIII** contains other pertinent matters pertaining to dissolution, including the creation of Town special districts for water and lighting services in the area of the former Village.

Required Dissolution Plan Elements

In accordance with General Municipal Law (GML) §774, the Village of Salem as the governing body may, by resolution, endorse a proposed Dissolution Plan for the purpose of commencing dissolution proceedings under this article. This document sets forth, in detail, the Dissolution Plan of the Village of Salem as developed by the Dissolution Study Steering Committee.

The proposed dissolution plan shall specify the following:

a) The name of the local government entity to be dissolved:

- The Village of Salem, New York.

b) The territorial boundaries of the entity:

- The Village of Salem is located wholly within the Town of Salem in Washington County New York. The Village is located on NYS Route 22 lying between Saratoga Springs to the west and Manchester Vermont to the East. It is also positioned within the triangle of communities formed by Salem, Greenwich and Cambridge, (see **Village of Salem Boundary Map**).

c) The type and/or class of the entity:

- The type of entity is a Village as defined in New York State Village Law.

d) A fiscal estimate of the cost of dissolution:

- The fiscal estimate of the cost of the dissolution is approximately $110,000 which will be funded primarily with a New York State Local Government Efficiency Grant. This includes $25,000 in consultant fees; $25,000 in legal fees; $10,000 in consultant fees for the zoning law update; $15,000 in consultant fees for preparing the required documentation to create a new Water District; $12,000 in consultant fees for preparing the required documentation to create a new Lighting District; $20,000 for an independent audit of the Village books, and $3,000 for miscellaneous advertisement fees.
- Upon dissolution, the projected tax rates for former Village property-owners would decrease by approximately 46%, an estimated savings of $513 on a property with an assessed value of $100,000. Town property-owners would see an estimated increase of 5.9%, which is equivalent to an additional $30 on a property with an assessed value of $100,000, not including the projected Citizen Empowerment Tax Credit (CETC) savings. Former Village property-owners will still be required to pay their user fees, and per unit rates for debt service for Salem Water District, as well as other Lighting District costs. Applying 90% of the projected CETC, it is estimated that Village

tax rates will decrease by 55%, an estimated savings of $613 per $100,000 for a former Village taxpayer. Town tax rates would decrease by 13.7%, an estimated savings of $70 per $100,000 of assessment. See section VII for more details.

e) Any plan for the transfer or elimination of public employees:

- Upon dissolution, all full-time and part time Village positions will be abolished. The costs associated with the Village Library will be transferred to the Town; therefore the current part-time Library personnel (1 Library Director and 3 Library Technicians) will remain necessary. The Village Hall/Bancroft Public Library building will be transferred to the Town, and will still require custodial needs; therefore, the part-time custodian position will remain necessary. Upon dissolution, it is expected that the Town will create 1 new full-time and 1 new part-time position to expand the Highway Department's capacity to provide services to the area of the former Village, and absorb the necessary Water District duties and responsibilities. Former Village employees will be given first consideration by the Town Board when such positions are made available. Section III outlines the plans for the transfer or elimination of employees in more detail.

f) The entity's assets, including but not limited to real and personal property, and the fair value thereof in current money of the United States:

- At the time of dissolution, all remaining Village assets will become Town property. This includes Village municipal structures and building contents (insured value of $2,068,299); Village owned machinery and equipment (insured value of $92,000); and all other personal property. See Section IV for more details.

g) The entity's liabilities and indebtedness, bonded and otherwise, and the fair value thereof in current money of the United States:

- There are no known liabilities at this time. As of April 2014, the Village had $2,137,000 in outstanding debt for a 0% Drinking Water State Revolving Fund loan that was issued in April 2006. See Section V for more details.

h) Any agreements entered into with the town or towns in which the entity is situated in order to carry out the dissolution:

- The Village and the Town currently have no agreements in order to carry out the dissolution. This Plan was developed by the Dissolution Plan Steering Committee with the best interest of all residents in the Village and Town of Salem in mind. See Section VI for more details.

i) The manner and means by which the residents of the entity will continue to be furnished municipal services following the entity's dissolution:

- All services currently provided by the Village will be provided by the Town. This includes the following: local government representation, court services, clerical and administrative services, building and public property maintenance where applicable; crossing guard; road maintenance and related highway services, cultural and recreational services; and library services. Public water will be provided to former Village residents by the Town through the creation of a special Water District encompassing the former Village. Street lighting will also be provided through the creation of a special Lighting District. The special Lighting District will levy approximately $.68 per $1,000 assessed value on former Village properties to pay for street lighting. Assessment, fire protection, rescue squad, police, and code enforcement services will not be impacted by dissolution. See Section III for more details.

j) Terms for the disposition of the entity's assets and the disposition of its liabilities and indebtedness, including the levy and collection of the necessary taxes and assessments therefore:

- There are no known liabilities at this time. As of April 2014, the Village had $2,137,000 in outstanding debt for a 0% Drinking Water State Revolving Fund loan that was issued in April 2006. The Town will create a Water District encompassing the area of the former Village. All of the real property lying within the bounds of the Water District will be subject to the indebtedness of the district, including any outstanding obligations and bonds issued at the time of construction of the public water supply system.

k) Findings as to whether any local laws, ordinances, rules or regulations of the entity shall remain in effect after the effective date of the dissolution or shall remain in effect for a period of time other than as provided by GML §789:

- 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 regulations 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. If no action is taken by the Town Board within the two year period, the law(s) will be automatically repealed. See Section VI for more details

l) The effective date of the proposed dissolution:

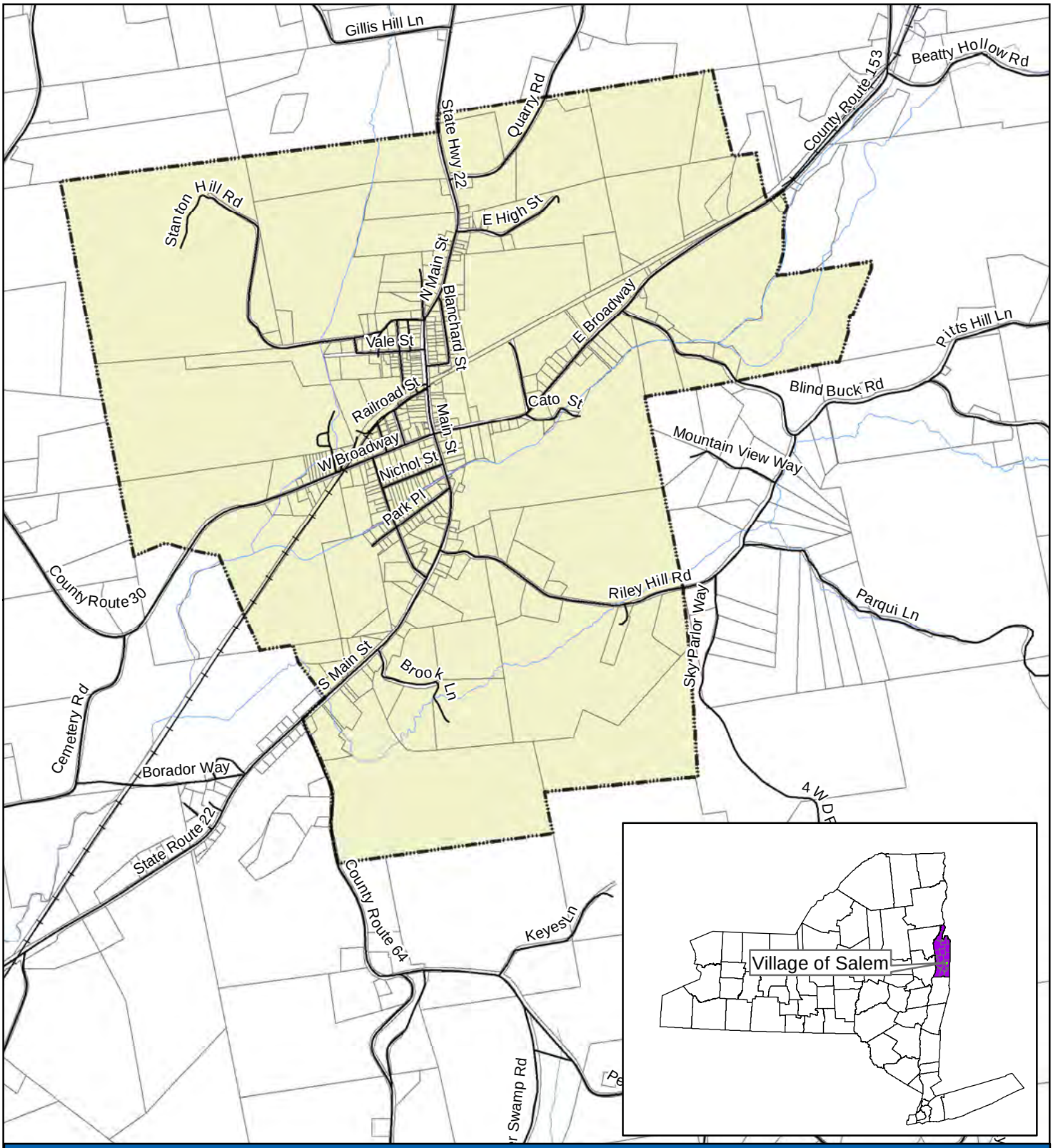
- The Village of Salem proposes to dissolve effective March 31, 2016.

m) The time and place or places for a public hearing or hearings on the proposed dissolution plan pursuant to section seven hundred seventy-six of this title:

- April 10, 2015, 7:00 PM at Village Hall.

n) Any other matter desirable or necessary to carry out the dissolution:

- Upon dissolution, the Town will create a special Water District and Lighting District in accordance with Articles 12 and 12-A of the Town Law in order to furnish public water services and cover street lighting expenses within the area of the former Village. All of the real property lying within the bounds of the Water District and Lighting District will be subject to the indebtedness of such districts, including any outstanding obligations and bonds issued for these services. See Section VIII for more details.



Village of Salem

Washington County, New York

Legend

- Village Boundary
- Streets
- Railroads
- Rivers & Streams
- Village Parcels
- Town Parcels

N
W E
S

0 1,000 2,000 4,000 Feet

1 inch = 2,000 feet

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Effective Dissolution Date

Upon adoption and approval of the Dissolution Plan, the Village of Salem will dissolve effective March 31, 2016.

Public Hearing on the Dissolution Plan

The Village of Salem will hold an official public hearing at 7:00 PM on April 10, 2015 at Village Hall.

II. Demographic & Socio-Economic Overview

Overview

Population densities, geography, and level of service play a critical role in the differences in how operational cost differs from community to community. As illustrated in **Table 1: Municipal Characteristics Summary**, according to the 2010 Census, 3,661 residents reside within the 52.4 square mile area that encompasses the Village and Town of Salem. The number of persons per square mile is 51.7 within the Town of Salem, while the Village of Salem boasts 326.2 people per square mile. The American Community Survey indicates that the Town of Salem's median household income of $51,545 is higher than that of the Village of Salem's at $43,370.

Table 1: Municipal Characteristics Summary

	(T) Salem	(V) Salem	Combined
Population (2010)	2,715	946	3,661
Land Area (square miles)	49.5	2.9	52.4
Population per square mile	51.7	326.2	377.9
Households (2010 Census)	1,141	382	1,523
Median household income (2008-2012 ACS)	$51,545	$43,370	$47,457(average)
Total Centerline Miles	17.62	2.40	20.02
Local (Town/Village-owned) Centerline Miles	67.26	5.12	72.38

Source: US Census 2010, ACS 2008-2012

Population

Local population growth and decline is dependent on several factors including economic expansion, environmental capacity, housing suitability, age-driven needs and regional desirability. According to U.S. Census data, the Village of Salem's population decreased from 964 in 2000 to 946 in 2010, this reflects a -1.9% population decrease for the Village, while the Town of Salem increased from 2,702 in 2000 to 2,715 in 2010. This reflects a 0.48% population increase for the Town which can be seen in **Table 2: Population Trends**.

Table 2: Population Trends

	(T) Salem		(V) Salem	
Year	Number	Growth	Number	Growth
1990	2,608	NA	958	NA
2000	2,702	3.60%	964	0.6%
2010	2,715	0.48%	946	-1.9%

Source: US Census 1990, 2000, 2010

Road Network

Table 3: Road Centerline Mileage, provides a summary of road mileage by municipality. There are a total of 72.4 local centerline miles within the Town and Village of Salem. Additionally, there are 20.3 centerline miles of roads within the two communities that are designated as State Touring Routes.

There are more than 102 miles of public roadway in the Town and Village of Salem combined. Local roads make up the majority of the road network at about 70% (72.4 miles), followed by County miles at 20% (20.0 miles), and State miles at 10% (10.3 miles). According to the NYS Local Roads Listing, all roads within the Town and Village are made of asphalt (61.35 miles), unpaved (34.45 miles), or overlay (6.92 miles), (see **Appendix A**: Local Road Listing).

Table 3: Road Centerline Mileage

	(T) Salem	(V) Salem	Combined	% of Total
Total Local Mileage (Village)	67.3	5.1	72.4	70%
County Mileage	17.6	2.4	20.0	20%
NYSDOT Mileage	8.6	1.7	10.3	10%
Total Centerline Mileage	93.5	9.2	102.7	100%

Source: New York State Department of Transportation Highway Inventory

Age Distribution

According to the 2010 U.S. Census, the Town of Salem's greatest concentration of population falls within the 45-54 age range (16.7%), while the Village's greatest concentration of population falls within the 0-14 age range (19.2%). According to **Table 4: Age Comprison**, the next largest age cohorts in the Town are 0-14 and 55-64 (16.1%), while the Village's next largest age cohorts are 45-54 (17%). The median ages for the Town and Village are 46 and 42 respectively. The Village of Salem seems to have a higher percentage of children to middle age residents, while the Town has a higher percentage of older, retired residents.

Table 4: Age Comparison

	(T) Salem		(V) Salem	
Age	**Total**	**%**	**Total**	**%**
0-14	436	16.1%	182	19.2%
15-19	162	6.0%	62	6.6%
20-24	142	5.2%	62	6.6%
25-34	236	8.7%	88	9.4%
35-44	334	12.3%	113	12.0%
45-54	455	16.7%	161	17.0%
55-64	437	16.1%	118	12.5%
65-74	280	10.3%	86	9.0%
75+	233	8.6%	74	7.7%
Total	**2,715**	**100.0%**	**946**	**100.0%**
Median Age	**46**		**42**	

Source: U.S. Census Bureau, Census 2010

Household Composition

The U.S. Census Bureau provides information on household composition, which details the structure of the individuals and families living within the Town and Village boundaries. Accroding to **Table 5: Household Compoistion (2010)**, the majority of households in the Town and Village are family households (67.4% and 68.1% respectively), as compared to non-family households (32.6% and 31.9% respectively). Non-family households also include individuals living alone. The average household size in the Town of Salem is 2.37, while the average household size in the Village of Salem is 2.48.

Table 5: Household Composition

	(T) Salem		(V) Salem	
	Total	%	Total	%
Total Households	**1,141**	**100.0%**	**382**	**100.0%**
Family Households	769	67.4%	260	68.1%
Nonfamily households	372	32.6%	122	31.9%
Households with Children < 18	298	26.1%	120	31.4%
Households with Persons < 65	371	32.5%	118	30.9%
Average household size	**2.37**		**2.48**	
Average family size	**2.81**		**2.97**	

Source: U.S. Census Bureau, Census 2010

Housing Stock

The availability, affordability, and condition of housing within a community are important factors that residents and employers consider when determining re-location. In addition, home ownership is directly linked to household spending on services and supplies for home improvements, home furnishings, and other home-related items. Therefore, housing is a key component of an economic development strategy as it contributes to the overall image and desirability of the community.

Table 6: Housing Type

Housing Type	(T) Salem		(V) Salem	
	Number	%	Number	%
OCCUPANCY STATUS				
Total housing units	1,356	100.0%	417	100.0%
Occupied housing units	1,141	84.1%	382	91.6%
Vacant housing units	215	15.9%	35	8.4%
TENURE				
Total Occupied housing units	1,141	84.1%	382	91.6%
Owner occupied	935	81.9%	280	73.3%
Renter occupied	206	18.1%	102	26.7%

Housing Type	(T) Salem		(V) Salem	
	Number	%	Number	%
VACANCY STATUS				
Total Vacant housing units	215	15.9%	35	8.4%
Vacant, For rent	21	1.5%	11	2.6%
Rented, not occupied	1	0.1%	0	0.0%
For sale only	19	1.4%	2	0.5%
Sold, not occupied	5	0.4%	1	0.2%
For seasonal, recreational, or occasional use	126	9.3%	7	1.4%
Other vacant	43	3.2%	14	3.4%

Source: U.S. Census Bureau, Census 2010

According to the 2010 Census the Town of Salem contains a total of 1,356 housing units of which 1,141 are occupied and 215 are vacant. The Village of Salem contains a total of 417 housing units of which 382 are coccupied and 35 are vacant. According to **Table 6: Housing Type**, of the 1,141 occupied housing units in the Town, 935 are owner occupied while 206 are renter occupied. Of the 382 occupied housing units in the Village, 280 are owner occuoied and 102 are renter occupied.

Income

Household income is the total income of all members of a household regardless of their relationship to each other. The amount of income is an indicator of the local economy. Understanding the income characteristics of the community is also important in determining a community's health as well as the ability of residents to maintain their housing, contribute to the local tax base, and participate in the economy.

Table 7: Household Income, demonstrates that the median household income in the Town of Salem has been consistently higher than the Village. In 2012 the median household income in the Town of Salem was $51,545, while the Village of Salem was $43,370. Between 2000-2012 the Town's median household income increased by $11,268 and the Village's median household income increased by $6,013, almost half the amount of the Town.

Table 7: Household Income

	Town of Salem				Village of Salem			
	2000		2010		2000		2010	
		% of Total		% of Total		% of Total		% of Total
less than $25,000	278	25.9%	213	17.9%	102	24.9%	110	28.1%
$25,000 to $49,999	424	39.5%	347	29.2%	174	42.5%	113	28.9%
$50,000 to $74,999	195	18.2%	287	24.2%	79	19.3%	43	11.0%
$75,000 to $99,999	88	8.2%	189	15.9%	28	6.8%	67	17.1%
$100,000 or more	76	8.2%	152	12.8%	25	6.5%	59	14.9%
Total Households	1,061	100.0%	1,188	100.0%	408	100.0%	392	100.0%
Median HH Income	$40,277 (2000)		$51,545 (2012)		$37,357 (2000)		$43,370 (2012)	

Source: U.S. Census Bureau, Census 2000, 2010, 2008-2012 American Community Survey

III. Dissolution of Government Services, Functions & Employees

The following is a summary of all services and functions currently provided to Village residents, their related cost, and the proposed post dissolution conditions for the continued delivery of municipal services to former Village residents upon dissolution. Through a series of meetings, the Dissolution Plan Steering Committee discussed how the Town of Salem can continue providing needed and desired services within the area currently served by the Village government. The Committee carefully considered what costs would be saved if the Village dissolves, and what costs will be transferred to the Town budget from the former Village budget in order to maintain the community character and quality of life that is valued by Village and Town residents alike.

The proposed post dissolution conditions outlined below represent the Committee's best judgment with regard to the most favorable and effective way to implement Village dissolution. (See **Appendix B**) This section outlines the manner and means by which Village residents will continue to be furnished municipal series upon dissolution, and the plan for the transfer or elimination of public employees in accordance with GML §774(e) & (i).

Village Mayor and Village Board of Trustees

The Village is currently governed by an elected Mayor and Village Board of Trustees made up of four members. The Mayor and Board of Trustees have four year terms. The Mayor and Trustees are responsible for overseeing all Village operations, including finances, staff, and the use of Village property and equipment. According to the 2014-2015 Village Budget, the position of Mayor costs a total of $4,147 per year, which includes an annual stipend of $3,000, and other administrative costs. The Board of Trustees costs a total of $1,500, including an annual stipend of $500 to each three Board members, with one waiving the stipend to save the Village money. Total cost for the Village Mayor and Village Board of Trustees is $5,647.

Post Dissolution Conditions:

The Village Mayor: position will be abolished and there would be no expenses associated with the Mayor. The Village Board of Trustees will be abolished. All functions and responsibilities of the Board of Trustees will be assumed by the Town Board. The Town Board will continue to represent former Village residents in the absence of a Village government. The Town Supervisor will continue to represent former village residents in the same capacity.

Village Justice

The Village is currently served by a part-time elected Village Justice and an Acting Justice that fills in only on an as needed basis. The Village Justice has a four year term and currently also serves as the separately elected Town Justice. Town and Village Court is held at Proudfit Hall (Village Hall), a Village-owned and operated building. The two Justice Courts share one part-time Justice Clerk. The overall cost of the Village Justice is $7,041, including $5,441 in annual salaries ($4,410 for the Village Justice, $431 for the Acting Justice and $600 for the Justice Clerk). Estimated revenues for the 2014-2015 for Fines and Forfeitures were $4,000.

Post Dissolution Conditions:

The three part-time positions (Village Justice, Acting Village Justice and Clerk to the Village Justice) will be abolished. The Town Justice and Town Justice Clerk will assume all duties. Salary adjustments will be at the Town Board's discretion. No adjustment is accounted for at this time. Pursuant to GML §788(3), all court records of the Village Court must be given to a justice court judge that will be designated by the administrative judge of the Fourth Judicial District. The designated judge will have the authority to execute and complete all unfinished business.

Clerk/Treasurer

The Village employs an appointed part-time Clerk/Treasurer. The Clerk/Treasurer is responsible for maintaining Village files and records, accounts payable and receivable, payroll, human resources and insurances, water billing, receiving tax payments, taking minutes of Board of Trustees meetings, preparing public notices for all Board and Committee meetings, and fielding phone calls, emails and walk-in requests for and information for all Village services. According to the 2014-2015 Village Budget, the position of Village Clerk/Treasurer costs a total of $31,593, including $26,593 for the annual salary.

Post Dissolution Conditions:

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. Salary adjustments will be at the Town Board's discretion. No adjustment is accounted for at this time.

Tax Expense

This function is performed by the Village Clerk/Treasurer, and costs a total of $1,100 per year for preparing and mailing tax bills.

Post Dissolution Conditions:

This function will be performed by the Town Clerk. Salary adjustments will be at the Town Board's discretion. No adjustment is accounted for at this time.

Assessor

This function is performed by the Town Assessor for the Town and Village of Salem. No cost for this service is listed on the Village Budget. Village tax payers are charged for this service out of the Town wide tax.

Post Dissolution Conditions:

Village dissolution will have no impact on this function.

Village Attorney

The Village budgets $3,000 per year for an attorney to handle all its legal affairs. This function is used only on an as needed basis.

Post Dissolution Conditions:

Budgeted expenditures for attorney services will be eliminated. Attorney services will be absorbed by the Town Attorney.

Election Inspectors

The Village budgeted $630.40 for elections inspectors, ballots and advertising. This amount will cover the cost for the regular annual Village election and the special dissolution vote in 2014.

Post Dissolution Conditions:

Budgeted expenditures for Election Inspectors will be eliminated. These services will be provided by the Town.

Crossing Guard

The Village budgets $4,800 per year for a part-time Crossing Guard. This service is exclusively funded by the Village tax payers.

Post Dissolution Conditions:

The cost for the Crossing Guard will be transferred to the Town. The Town may negotiate with the School District for shared funding of this service. Future cost could be lowered if the Town receives revenue from the School District.

Registrar of Vital Statistics

This function is performed by the Town Clerk for the Town and Village of Salem at an annual cost of $100.

Post Dissolution Conditions:

Duties will be absorbed by the Town Clerk. Salary adjustments will be at the Town Board's discretion. No adjustment is accounted for at this time.

Code Enforcement

Code Enforcement is provided by Washington County. No cost for this service is listed in the Village Budget. Village tax payers are charged for this service out of the countywide tax.

Post Dissolution Conditions

Village dissolution will have no impact on this function.

Undistributed Employee Benefits:

The Village budgets $36,819.89 per year in the General Fund for employee benefits, including state retirement, social security match, workers compensation insurance, unemployment insurance, disability insurance and medical insurance.

Post Dissolution Conditions:

Changes in employee benefits will result from staff reductions upon dissolution. Any new Town employees that are eligible for benefits will be partially funded through the new Water District where appropriate, and therefore remain the responsibility of former Village residents. It is estimated that $9,662 in employee benefit costs will be incorporated in the Water District budget to cover employee benefits.

Insurance/Contingency Fund

According to the 2014-2015 Village Budget, property liability insurance (listed under Special Items in the Village Budget) cost the Village $12,900 per year, with an additional contingency budget of $7,000, for a total of $19,900.

Post Dissolution Conditions:

All Village-owned property will be become the property of the Town, and therefore property liability insurance costs, and associated contingency funds will be shifted to the Town.

Village Hall/Bancroft Public Library (Shared Services)

According to the 2014-2015 Village Budget, maintenance and operating cost of Proudfit Hall (Village Hall)/Bancroft Public Library (listed under Shared Services in the Village Budget) cost $33,500 per year. These costs include a salary for a part-time Custodian of $3,500, utilities, and general building maintenance items. The Community Room is occasionally rented for a fee to a private group. The Fire Department currently pays rent ($10,600/year) for use of the vehicle/equipment bays in Proudfit Hall, and the estimated revenue for rental of the community room was $1,000 according to the 2014-2015 budget, so the net cost of Village Hall in approximately $21,900 per year. The rental income is expected to cease in the future when the Salem Fire Department constructs their proposed new facility.

Post Dissolution Conditions:

Village Hall will become Town property. The building will still require custodial needs; therefore, the part-time Custodian position will remain unchanged. The Library and Community Room will remain in operation. Future annual cost savings for the Town may be realized if the Town rehabilitates Proudfit Hall office space for Town use, thereby saving the Town rent which they currently paying for the Town office space. A space needs, and/or plan for adaptive re-use of the Village Hall/Fire Department for Town office use will have to be completed in the future.

Transportation (Public Works Department)

The Village Public Works Department currently employs a full-time Public Works Superintendent. The Public Works Superintendent oversees and is responsible for repair and maintenance of Village streets, public properties and infrastructure. Services include pothole repair, snow plowing and removal, sidewalk maintenance and clearing snow from sidewalks, mowing on Village-owned properties and the street right-of-way, tree maintenance, and maintenance and repair of the public water system as needed. According to the 2014-2015 Village Budget, the overall cost of the Public Works Department was $144,281.37, including the $38,050 salary of the Public Works Superintendent, $1,000 for a seasonal Laborer and $28,300 for one full-time Laborer, as well as Street Maintenance and Permanent Improvements budget line items. The department received $38,931.37 in revenues, making the net departmental cost $105,350, not including benefits. The Public Works Superintendent also oversees the work of the full-time Water Treatment Plant Operator, but the position is currently vacant. As is typical in many public works departments in New York, depending on the season, the DPW crew is cross-trained to handle a broad range of duties related to street and public infrastructure maintenance. The DPW equipment inventory that consists of five (5) vehicles, including one small dump truck, one large dump truck, a loader, a backhoe and a 4 door car. Estimated value of this equipment is about $93,500. The Village has a reserve fund for future DPW equipment purchases equivalent to $45,205.09.

Post Dissolution Conditions:

The Superintendent of Public Works position will be abolished and the Town Highway Superintendent will assume all duties. Salary adjustments will be at the Town Board's discretion. All other DPW positions existing at the time of dissolution will be eliminated. The Town 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 and 1 new part-time position to expand the department's capacity to service the needs of the former Village. The Town will consider hiring former Village employees when positions become available. As described below, the full-time employee will be required to have proper certifications to provide water system support, and this individual's duties will be divided between water and highway services. Salary and benefit cost of the new full-time employee will be partially billed to the new Water District. If the workload associated with the Water District requires addition staff support, salary and benefits costs will be allocated to the Highway and Water District funds as appropriate.

Street Lighting

The Village of Salem currently has 126 street lights within the Village boundaries. Electricity and maintenance of the street lighting costs $20,000.

Post Dissolution Conditions:

The Town Board will create and establish by resolution a Special Improvement District to be known as the "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. The boundary of this District will be coterminous with the boundary of the former Village of Salem.

Culture and Recreation

The Village budget funds a variety of cultural and recreational items. According to the 2014-2015 Village Budget, the Village summer swimming program (listed under Youth Agencies in the Village Budget) which is a hosted by the Village of Cambridge's Youth Recreation Department at Lake Lauderdale cost $4,750 per year. The Village receives $1,375 in revenue from the Town for this program. The Village also budgets $500 per year on the public park and gazebo. The part-time Village Historian cost $1,220 annually, Historical Property cost $500 annually, and $250 per year is appropriated for programs for the aging.

Post Dissolution Conditions:

All costs and responsibilities for cultural and recreational services will be transferred to the Town and incorporated into town-wide culture and recreation programs. The Village Historian also serves in the capacity of Town Historian; therefore, this position will remain unchanged. The budgeted cost ($500) associated Historical Properties/Historic Preservation Commission will be eliminated

Community Beautification

According to the 2014-2015 Village Budget, $250 is allocated for items like flowers, signs and landscaping improvements.

Post Dissolution Conditions:

All budgeted costs for community beautification services will be transferred to the Town.

Public Water

The Village of Salem has a public drinking water system that was established in 2003. The system was established with a $2.7 million dollar loan from the NYS Environmental Facilities Corporation, of which $2,137,000 is still outstanding debt. The system consists of three drilled wells, 300,000 gallon storage tank and the distribution system. The water is chlorinated using sodium hypochlorite as it leaves the well to protect against contamination from harmful bacteria or other organisms. According to the 2013 Annual Water Quality Report, the system has 298 service connections and an average daily demand of 56,396 gallons. The Village budget includes a Water Treatment Plant Operator with a Grade C Certification through New York State. According to the 2014-2015 Village Budget, this full-time position had a salary of $30,050 plus $8,800 in employee benefits; however, the position is vacant as of June 2014. The water system budget, excluding the Water Treatment Plant Operator's salary and benefits, is currently $134,881.50. The Village has three reserve funds for the water system equivalent to $131,385.91 for water system repairs, equipment and debt service.

Post Dissolution Conditions:

Water services for Village residents will be maintained. The Town Board will create and establish by resolution a Special Improvement District to be known as the "Town of 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 and whose property receives water from the public water system. 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. All property, facilities, infrastructure, and equipment used by the Village for operating and maintaining the water system will be turned over to the Town at no cost. The boundaries of the Water District will be coterminous with the boundary of the former Village and include any properties just outside the Village boundary that are currently receiving water service.

The Village of Salem Water Rules, Regulations, and Construction Standards, adopted in 2003 and amended in 2008 will remain effective for up to two years after the date of dissolution. Within this two year period, the Town Board will review the existing rules, regulations, and construction standards and consider them for adoption as a part of the new Water District if appropriate. The Town Board shall have the power to interpret and enforce these rules, regulations, and construction standards.

It is expected that the Town will hire a new full-time Town employee with appropriate qualifications and certifications to serve as the Grade C Water Treatment Plant Operator as required by Part 5 of the NYS Sanitary Code §5-4.2. Qualified, former Village employees will be considered when the opening becomes available. It is expected that the workload of this full-time employee will be divided between water and highway services; therefore, 1/2 of the salary and benefits costs of this full-time employee will be charged to the new Water District. 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.

Bancroft Public Library

The Bancroft Public Library provides library services to Town and Village residents. The Library is charted through the NYS Department of Regents as a Municipal Public Library. The Library was granted a provisional charter by the Board of Regents of the Education Department of the State of New York on December 13, 2011, and an absolute charter on March 12, 2013. The Library is governed by a five member Board of Trustees and has a separately appointed President and Secretary. The Library employees a part-time Library Director with a salary of $20,400 per year, and three (3) part-time Assistant Librarians at an annual cost of $16,100. The 2014-2015 Library budget was $60,300, and is partially funded by Village ($13,500), Town ($12,000), and from taxes raised by a proposition (separate from school budget/taxes) placed before school district voters and channeled through the school ($19,890), as well as other state aid and miscellaneous sources of departmental income.

Post Dissolution Conditions:

The budgeted Village costs associated with the Library will be transferred to the Town; therefore the current personnel (1 Library and 3 Library Technicians) will not be impacted. 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. There are several options that will be evaluated by the Library Board and staff. The Library building will become Town property.

Zoning Board of Appeals

The Village of Salem Zoning Board of Appeals (ZBA) is a three member voluntary board that has the power to make interpretations of the Zoning Law, issue or deny Special Use Permits, and issue or deny variances. All ZBA procedures are outlined in Article VII of the Village Zoning Law. There is no budgeted cost for this voluntary board.

Post Dissolution Conditions:

The Village of Salem Zoning Board of Appeals will be eliminated. As with all other local laws, the existing Village Zoning will remain effective for up to two years after the date of dissolution. In accordance with Article 16 of NYS Town Law, the Town Board will appoint a Zoning Board of Appeals and Zoning Enforcement Officer to provide for the enforcement and interpretation of the Zoning Law. The zoning enforcement officer bears the primary responsibility in handling individual inspection, and enforcement against violations. The zoning officer's decisions are subject to appeal to the zoning board of appeals, and ultimately to the courts. During the two year transition period, the Town Board will review the Village Zoning Law, consider it for adoption at the Town level, revise it wherever necessary, or repeal it at their discretion. If no action is taken by the Town Board with the two year period, the Village Zoning Law will be repealed.

Historic Preservation Commission

The Village of Salem Historic Preservation Commission is a five member voluntary board that has the power to, among other things, review applications proposing alteration, construction, demolition, or relocation of any individual landmark or resource located in the Historic District; grant, or deny certificates of appropriateness. As previously stated in the Culture and Recreation section of this document, the Village budgeted $500 for necessary actions related to implementing and enforcing the Historic Preservation Law.

Post Dissolution Conditions:

The Village of Salem Historic Preservation Commission will be eliminated. As with all other local laws, the existing Village of Salem Historic Preservation Law will remain effective for up to two years after the date of dissolution. The Town Board will appoint an interim Historic Preservation Commission. During the two year transition period, the Town Board will review existing law and consider it for adoption at the Town Level, revise it wherever necessary, or repeal it at their discretion. If no action is taken by the Town Board with the two year period, the Historic Preservation Law will be repealed.

Salem Volunteer Fire Department

The Salem Volunteer Fire Department, Inc. currently provides fire protection services to the Village and Town of Salem. The Fire Department became an independent fire company in May 2013 and their budget is funded through the Town of Salem with a fire tax line on the Town/County tax bill and with other support from fundraisers and donations. No cost for this service is listed in the Village Budget. The Fire Department currently pays rent ($10,600/year) for use of the vehicle/equipment bays in Proudfit Hall.

Post Dissolution Conditions:

Village dissolution will have no impact on this function. The firehouse (part of Proudfit Hall) will become Town property and the Town will continue to collect the annual rental fees from the Salem Volunteer Fire Department, Inc.

Salem Rescue Squad

The Salem Rescue Squad is an independent emergency medical services company that provides ambulance services to the Town and Village of Salem. The Rescue Squad receives money from the Town and also does third party insurance billing. In 2014, the Town of Salem budgeted $11,000 for funding to the Rescue Squad. No cost for this service is listed in the Village Budget. Village tax payers are charged for this service out of the Town wide tax.

Post Dissolution Conditions:

Village dissolution will have no impact on this function.

Police Protection

Police protection is currently provided by the Washington County Sheriff's Office and the New York State Police. No cost for this service is listed in the Village Budget. Village tax payers are charged for this service out of the countywide and state taxes.

Post Dissolution Conditions:

Village dissolution will have no impact on this function.

Conclusions

Based upon the changes in services described above, a detailed Cost Shift Worksheet (see **Appendix B**) was developed to illustrate what costs would be saved when the Village dissolves, and what costs will be transferred to the Town budget from the former Village budget. Building upon this effort, Section VII of this document shows the projected tax impact on the Town and former Village taxpayers upon dissolution.

IV. Disposition of Village Assets

This section outlines the dissolution plan for transfer or disposition of Village's assets, including but not limited to real and personal property, and the current fair value thereof in accordance with GML §774(f) & (j).

Village–owned Real Property

All Village-owned real property is shown in the **Table 8** below. The assessed value and full market value were extracted from 2014 Final Assessment Roll. (See **Appendix C:** Property Insurance Coverage/Values) All real property in the possession of the Village of Salem, at the time of dissolution, will be transferred to the Town of Salem at no cost. Upon dissolution, the Town will take title to the following properties with the understanding that the Town 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, at their option, prepare any and all deeds for the Village to execute prior to the date of dissolution.

Table 8: Village-owned Real Property

Tax ID #	Address	Property	Insurance Value	Assessed Value	Full Market Value
208.12-3-7	181 Main Street	Proudfit Hall/Bancroft Public Library	$1,136,821	$134,900	$236,667
208.12-2-8	201 Main Street	Village gazebo, park, and parking area	$13,328	$4,800	$8,421
209.-1-79	21 Archibald Street	Carnival grounds and storage building	$27,206	$25,400	$44,561
208.-2-82.1	53 Stanton Hill Road	DPW barn, water treatment plant office, and chlorination room	$394,655	$20,100	$35,263
-	-	Water storage tank, 320,000 gallon capacity	$496,289	NA	NA

Source: Washington County Real Property Tax Services, Final Assessment Roll, 2014

Personal Property

Personal property owned by the Village of Salem at the time of dissolution will become the property of the Town of Salem. Personal property will mean and include office equipment, furniture, tools, parts inventory, and any other items commonly considered to be personal property of the Village.

Village–owned Equipment

Equipment owned by the Village of Salem at the time of dissolution will become the property of the Town of Salem. As it was the determination of the Dissolution Plan Steering Committee that services and service levels will remain unchanged by the dissolution of the Village. The Town reviewed existing Village facilities and equipment, and plans to incorporate most of the current equipment and all of the current facilities into Town Highway operations. During the transition period, the Highway Superintendent may determine which pieces of equipment it will retain, with the remaining equipment to be auctioned off if it is considered redundant. The value

of Village-owned equipment and vehicles in 2014 is $92,000 (see **Appendix D:** Detailed Equipment Lists and Insurance Information). The age, condition, and approximate value of each asset are shown in **Table 9** below:

Table 9: Village-owned Equipment Inventory

Year	Item Description	Approximate Value
2005	Ford F450 Super Duty – Dump – about 54,400 miles – Fair condition	$10,000+/-
2012	New Holland – B95B – Backhoe loader – about 430 hours – Good condition	$60,000+/-
2013	Kubota – B2320 – Compact loader – about 100 hours – Good condition	$18,000+/-
2004	Ford – Crown Vic – 4 Door Car – about 121,000 miles – Fair condition	$500+/-
1991	International – Dump – about 57,000 miles – Poor condition	$3,500+/-

Bank Accounts, Village Books and Records

As of July 2014, the Village of Salem maintained the following bank accounts with TD Bank, N.A (See **Table 10**). 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 (balance $139,873.29 as of 7-31-14) 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. Upon dissolution, 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. (See **Appendix E)**

Table 10: Village Bank Accounts

Account Type	Account ID #	Interest Rate	Village Fund	Balance
Municipal Interest Checking	…..1420	.08%	General Fund [1]	$207,489.47
Municipal Interest Checking	…..1446	.08%	Library Fund	$14,523.29
Municipal Interest Checking	…..3808	.08%	Water Fund	$192,914.59
Municipal Choice Solution	…..1433		Trust & Agency Fund [2]	$309.24
Premium Public Finance MM	…..1304	.15%	Reserve Accounts [3]	$185,101.27
Premium Public Finance MM	…..9487	.15%	Trusts/Library Savings [4]	$166,560.42

1) General Fund checking receives payments electronically from the State (CHIPS, AIM, etc.)
2) Trust and Agency Fund uses checks (payroll) and electronic payments (NYSERS, EFTPS, NYS Emp. Taxes)
3) Reserve Accounts:
   - DPW Equipment: $ 45,227.98
   - Water Repairs: $ 5,218.19
   - Water Equipment: $ 14,645.74
   - Water Debt Service: $ 120,009.36
4) Trusts/Library Savings:
   - Poor Fund Trust $ 76,662.90
   - Library Trust $ 3,531.83 ($3,500 (unexpendable) $31.83 expendable (interest).
   - Library Savings $ 86,376.78

V. Disposition of Liabilities, Fund Balances & Indebtness

This section outlines the dissolution plan for transferring or disposing of the Village's current liabilities and indebtedness in accordance with GML §774(g) & (j).

Liabilities

The Village is a participant in the state unemployment fund, as such, the terminated employees who are eligible for unemployment benefits will be covered, and this will not be a liability or cost to the Town. In addition, a Notice of Claim was filed with the Village Clerk on October 3, 2014 and is being resolved by the Village Attorney. If necessary, the Town will create a Village Debt District to cover any other former Village liabilities that may occur prior to date of dissolution.

Indebtedness

As of April 2014, the Village had $2,137,000 in outstanding debt for a 0% Drinking Water State Revolving Fund loan that was issued in April 2006. The annual debt service of $84,000 will be paid in November 2014, making the outstanding debt $2,053,000. The debt service is required to be paid off by November 2035. Upon Dissolution, the outstanding debt will be assumed by the Town. The debt will be charged only to the water system users in the former Village through the creation of a new Town of Salem Water District.

VI. Agreements & Local Laws Upon Dissolution

This section describes any agreements entered into with the Town in order to carry out the dissolution (GML §774 (h)) as well as the findings as to whether any local laws, ordinances, rules or regulations of the Village shall remain in effect after the effective date of the dissolution or shall remain in effect for a period of time other than as provided by GML §789 ((GML §774 (k)).

Agreements Necessary for Dissolution

The Village and the Town currently have no agreements in order to carry out the dissolution. This Plan was developed by the Dissolution Plan Steering Committee with the best interest of all residents in the Village and Town of Salem in mind. The Steering Committee anticipates that if this Dissolution Plan is approved, the succeeding Town government will provide for and comply with the Plan set forth in this document. The Committee recognizes that the Plan could be impacted by unforeseen circumstances occurring at the time of dissolution. Thus, this document is a plan, not a guarantee. However, representatives in the Village and Town endorse this Dissolution Plan, which was developed in good faith.

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 regulations 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. The following section outlines the post dissolution conditions for all existing local laws, plans, boards, and commissions of the Village of Salem:

Post Dissolution Conditions

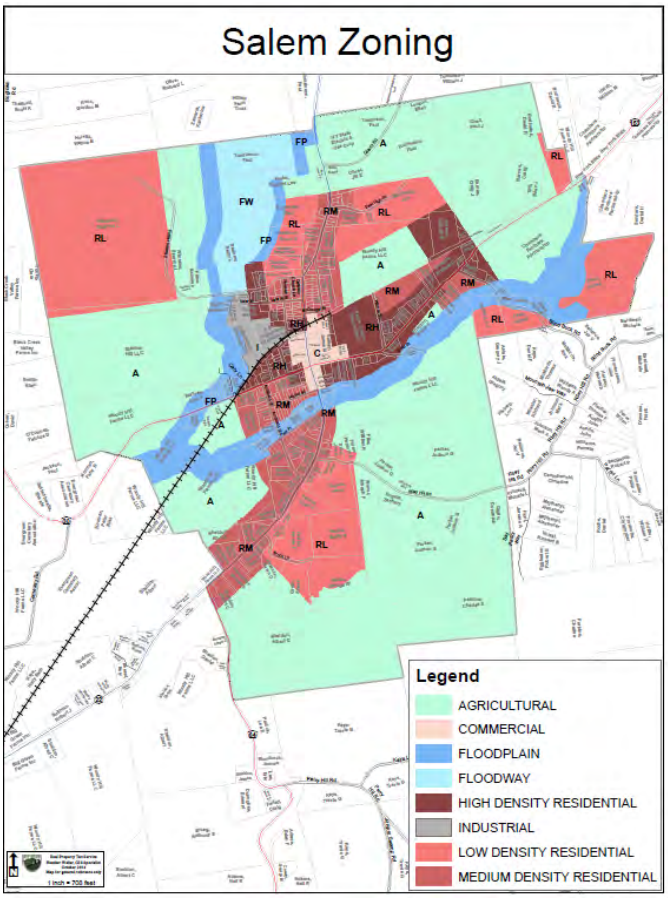
Village of Salem Zoning Law

As with all other local laws, the existing Village of Salem Zoning Law will remain effective for up to two years after the date of dissolution. The Town Board may consider adopting the Zoning Law or may consider forming a special “hamlet” zoning district(s) to address land use within the former Village as it determines appropriate. The new district(s) will allow the Town to effectively oversee land use issues within the former Village without impacting development and land use outside the former Village. The Town Board must follow the procedures outlined in Article 16 of NYS Town Law. If no action is taken by the Town Board with the two year period, the Village Zoning Law will be repealed.

The Village of Salem Zoning Law was enacted on September 3, 1975, and updated in 2012 in order to promote health, safety, morals, and general welfare of the community. In accordance with the Village of Salem General Development Plan, the Zoning Law is designed to lessen congestion in the streets, secure safety from fire, floods,

and other dangers; promote health and the general welfare; provide adequate light and air' prevent the overcrowding of land' avoid undue concentration of population' and to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. The Village has created the following eight (8) districts in order to fulfill the purpose of the Zoning Law:

- Agricultural (A)
- High-Density Residential (RH)
- Medium-Density Residential (RM)
- Low-Density Residential (RL)
- Commercial (C)
- Industrial (I)
- Floodway (FW)
- Floodplain (FP)



Village of Salem Zoning Board of Appeals

The Village of Salem Zoning Board of Appeals (ZBA) three member voluntary board that has the power to make interpretations of the Zoning Law, issue or deny Special Use Permits, and issue or deny variances. There is no budgeted cost for this voluntary board. Upon dissolution, the ZBA will be abolished and the Town Board shall act in place of such board until the Town Board shall have appointed such board for the Town in accordance with the provisions Article 16 of NYS Town Law.

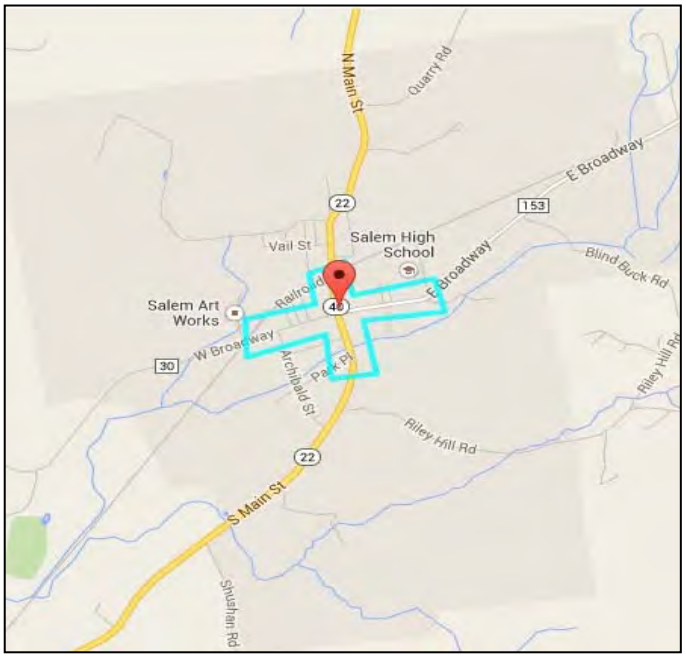
As with all other local laws, the general procedures and provisions of the ZBA will remain effective for up to two years after the date of dissolution. The Town Board may consider any and all laws as is for adoption, or revise them wherever necessary at their discretion. The Town Board will follow the procedures outlined in Article 16 of NYS Town Law for adoption, interpretation and enforcement of a zoning law by appointing an enforcement officer and a board of appeals. The zoning enforcement officer bears the primary responsibility in handling individual inspection, and enforcement against violations. The zoning officer's decisions are subject to appeal to the zoning board of appeals, and ultimately to the courts. If no action is taken by the Town Board with the two year period, the Village Zoning Law will be repealed.

Village of Salem Historic Preservation Law

As with all other local laws, the Salem Historic Preservation Law will remain effective for up to two years after the date of dissolution. The Town Board may consider this law for adoption, or revise it wherever necessary at their discretion. If no action is taken by the Town Board with the two year period, the Village of Salem Historic Preservation Law will be repealed. The Town Board will consult with the NYS Office of Parks, Recreation & Historic Preservation to understand how dissolution will affect the existing Salem Historic District, which was listed on the National Register of Historic Places in 1975, and the necessary procedures for transferring it to the Town.

The Salem Historic District forms the shape of a cross in the heart of the Village. At the center of the Village a south-north highway, New York State Route 22, is intersected by an east-west highway, county route 30. Route 22 is known as Main Street while Route 30 is Broadway. The Historic District consists of properties lining both sides of Main Street from the Delaware and Hudson railroad tracks at the north as far as, and including, the Baltz and Son Shirt shop at the corner of Park Place. It also includes properties lining both sides of Broadway from the Delaware and Hudson railroad tracks on the west to, and including, the Washington County Courthouse on the east. The district boundary runs behind all structures at a distance of two hundred feet from the center of the road. The district contains seventy-nine residences, commercial buildings and churches. Approximately ten of these are twentieth century structures. The majority of the remaining sixty-nine structures were built in the second half of the nineteenth century.

Map of Village of Salem Historic District Boundaries



Source: www.livingspaces.com

Village of Salem Historic Preservation Commission

The Village of Salem has a five member Historic Preservation Commission. Upon dissolution, this Commission will be abolished and the Town Board shall act in place of the Commission until the Town Board shall have appointed such board for the Town. The Town Board may consider re-appointing the existing Commission at their discretion. The Commission has the power to, among other things, review applications proposing alteration, construction, demolition, or relocation of any individual landmark or resource located in the Historic District, as well as grant or deny certificates of appropriateness. No building permit that affects a designated resource within the Historic District may be issued without a certificate of appropriateness from the Historic Preservation Commission.

Village of Salem Certified Local Government (CLG) Status

The Village worked with the NYS Office of Parks, Recreation & Historic Preservation to become a Certified Local Government (CLG). The Certified Local Government Status will remain effective for up to two years after the date of dissolution. The CLG program benefits the Village by making it eligible to receive a variety of services from SHPO, including: technical preservation assistance and legal advice; identifying additional properties that may be eligible for listing in the State and National Registers of Historic Places; training opportunities for historic preservation; and, grants designated exclusively for CLG projects. If the Town Board adopts the Historic Preservation Law and appoints the Historic Preservation Commission, the Town Board may at their discretion re-apply to the Certified Local Government (CLG) program within the two year period; otherwise the CLG status will be lost.

Village of Salem Village Historian

The Village of Salem appointed the Village Historian to assist and advise the Historic Preservation Commission Historic Preservation Commission with the application review process. The Village Historian also serves in the capacity of Town Historian; therefore if the Town Board adopts the Historic Preservation Law and appoints the Historic Preservation Commission, the Town Board may at their discretion appoint the Town Historian to serve in this capacity.

Village of Salem General Development Plan & GEIS

The Village of Salem General Development Plan (adopted in 1975 and revised in 2007) and Generic Environmental Impact Statement (GEIS), adopted in 2008, will remain effective for up to two years after the date of dissolution. Within this two year period, the Town Board will review the plan and consider it for adoption, or incorporate it into the Town of Salem Comprehensive Plan. If no action is taken by the Town Board with the two year period, the General Development Plan will be repealed.

Village of Salem Emergency Operations Plan

The Village of Salem Emergency Operations Plan, adopted in 2007 and revised in 2008 will remain effective for up to two years after the date of dissolution. Within this two year period, the Town Board will review the plan and consider it for adoption. If no action is taken by the Town Board with the two year period, this plan will be repealed.

Village of Salem Water Rules, Regulations, and Construction Standards

The Village of Salem Water Rules, Regulations, and Construction Standards, adopted in 2003 and amended in 2008 will remain effective for up to two years after the date of dissolution. Within this two year period, the Town Board shall have the power to interpret and enforce these rules, regulations, and construction standards and will be creating a new “Town of Salem Water District” as provided by Articles 12 and 12-A of the Town Law. During this process, the Town Board will review the existing rules, regulations, and construction standards and consider them for adoption as a part of the new Water District if appropriate. If no action is taken by the Town Board with the two year period, these rules and regulations will be repealed.

Village of Salem Cable Television Franchise Agreement

The Village of Salem has a Cable Television Franchise Agreement with Time Warner Cable. The existing agreement is valid until October 2017. The Town Board will work with Time Warner Cable to renegotiate the agreement. If no action is taken by the Town Board, this agreement will be repealed.

Summary of Dissolution Impact on Village Laws

Table 11 lists all Village Laws currently in effect. Column four (4) illustrates the future action that will be required upon dissolution in order to unify the codes, rules and regulations of the Town and Village, as per the following Action Key:

- NA: No longer applicable, outdated or superseded by other laws, will not become part of the Town Law.
- STL: Similar Town Law exists. Provisions of Village law if applicable may be incorporated into an existing Town Law
- NTL: New Town Law will need to be written.

Table 11: Village Law Dissolution Impact

Number	Year	Village Law	Future Action Required (see Key)
1	1972	Swimming Pools—in ground pools must be fenced for safety	NTL
1	1981	Games of' Chance—providing for the conduct of same in the Village	STL
2	1985	NYS Uniform Fire Prevention/Building Code administration passed to County	STL
1	1987	Flood Damage Prevention—supersedes No. 1 of'1984 and No. 1 of 1985	STL
2	1987	Prohibiting coin operated amusement devices, juke boxes, and game rooms	NTL
2	1989	Adding basis for establishing areas of special flood hazard to No. 1 of 1987	STL/NTL
1	1991	Solid Waste Treatment and Disposal in the Village	STL
1	1994	Providing for the creation of a records management program	STL
2	1994	Prohibiting snowmobiles or ATVs on streets, sidewalks, or Village property	NTL
4	1994	30 MPH speed limit in the Village, 15 MPH in a school zone	NA
2	1995	Amending No. 2 of 1994 (snowmobiles)	NTL
3	1995	Closing Thomas Street Extension and Parking Restriction	NTL
1	2003	Public Nuisance	NTL
2	2003	Restrictions on Garbage, Debris, and Waste	NTL
3	2003	Restrictions on abandoned, discarded, dismantled, junked and/or unlicensed/unregistered vehicles	NTL
4	2003	Restrictions on the Possession of Open Containers of Alcoholic Beverages in Public Places	NTL
5	2003	Loitering	NTL
6	2003	Regulations of Mobile Homes, House Trailers, Mobile Home Parks and House Trailer Parks in the Village of Salem	STL/NTL

Number	Year	Village Law	Future Action Required (see Key)
7	2003	Local Law Regarding Dogs and Pets	STL
8	2003	Trespassing	NTL
9	2003	Parking	NTL
10	2003	Speeding and driving infractions	NTL
11	2003	Vending Licenses within the Village of Salem	NTL
12	2003	Regulation of Offsite Commercial Signs	NTL
1	2004	Amending No.3 of 2003	NTL
1	2005	Restricting parking during snow emergencies	NTL
2	2005	Prohibiting outdoor wood, burning furnaces	NTL
1	2008	Historic preservation/certified local government	NTL
1	2012	Zoning Law	NTL
3	2013	Designating parking spaces (4) for the handicapped	NTL

Key
NA: No longer applicable, outdated or superseded by other laws, will not become part of the Town Law.
STL: Similar Town Law exists. Provisions of Village law if applicable may be incorporated into an existing Town Law
NTL: New Town Law will need to be written.

VII. Fiscal Impacts of Dissolution

In accordance with GML §774 (d), the Dissolution Plan must include a fiscal estimate of the cost of dissolution. In order to estimate the fiscal impact of Village dissolution, the Dissolution Plan used 2014 fiscal year budget information for the Village and Town of Salem. Using this data as a baseline, the consultant built a fiscal model for post-dissolution conditions to determine what costs would be saved if the Village dissolves, what costs would be included in future Town budgets, and what revenues would continue to be collected in order to calculate the projected tax levies and tax rates.

The figures below are **projections only** and are provided to show what taxes could be anticipated if the Village of Salem were to dissolve based upon the service and cost changes recommended in the Dissolution Plan. The information in this section is a representation of the data available at the time of the development of this Dissolution Plan.

Fiscal Estimate of the Cost of Dissolution

The fiscal estimate of the cost of the dissolution is approximately $110,000. The majority of the costs of dissolution will be funded with New York State Local Government Citizens Re-Organization Empowerment Grants, with the exception of the required 10% local match. This following is the best estimate at this time for the cost of the following necessary dissolution tasks:

- Consultant fees to assist the Town and Village in preparing the Dissolution Plan and related documents and facilitation of Steering Committee meetings and public processes: $25,000 (not including the $44,000 from the original Citizens Re-Organization Empowerment Grant (CREG), Expedited Reorganization Assistance grant).
- Legal fees to assist the Town and Village researching legal issues, preparing required legal documents, drafting resolutions and new Town Laws: Estimate for all legal services: $25,000.
- Consultant fees to assist the Town with the zoning law update: $10,000.
- Consultant fees to assist the Town in preparing the required documentation to create the new Water District: $15,000.
- Consultant fees to assist the Town in preparing the required documentation to create a new Lighting District: $12,000.
- Consultant fees to assist the Village with a final independent audit of the Village books: $20,000.
- Miscellaneous advertisement fees to assist the Town and Village with necessary public outreach: $3,000.

A tax impact analysis of the dissolution is presented below.

Projected Tax Impact of Dissolution (No CETC Savings)

New York State provides a Citizen Empowerment Tax Credit (CETC) to municipalities as an incentive when two local governments consolidate. This tax credit is an annual appropriation, based upon a formula of 15% of the combined property tax levy when the local governments consolidate. If the Village of Salem dissolved, the Village government will effectively consolidate with the Town, therefore, the Town would qualify for the annual CETC credit.

Based on 2014 figures, the estimated tax credit to the Town of Salem would conservatively be $130,820 per year. While, according to law, a minimum of 70% of the CETC must be applied as a reduction of the tax levy, and the remaining 30% may be used to further reduce the tax levy or fund eligible capital improvement projects anywhere in the town, the Steering Committee has determined that it would benefit Town residents as a whole to apply 90% of the CETC toward the reduction of the tax levy, and the remaining 10% toward miscellaneous capital improvement projects. To comprehend the full range of fiscal impacts of dissolution, it is important to first understand the tax impacts of dissolution without the CETC. As shown in **Table 12,** property-owners in the Village currently pay a combined rate of $11.22 per $1,000 of assessed value (including Village and Town taxes, but excluding County, School, and special district taxes, (e.g., fire protection and lighting) which are not effected by dissolution), and Town property-owners, outside-the-village, currently pay a rate of $5.10.

Table 12: Projected Tax Impact of Dissolution (No CETC Savings)

Former Village Residents	Tax Rate Before	Tax Rate After	Property Tax Before (per $100,000 assessed value)	Property Tax After (per $100,000 assessed value)	Property Tax Change	Percent Change
Village Tax	$8.07	$0-	$807	$-	-	-
Town Wide Tax	$3.15	$5.40	$315	$ 540	-	-
New Lighting District*	$0	$0.68	$0	$68	-	-
Total	**$11.22**	**$6.09**	**$1,122**	**$609**	**$(513)**	**-45.7%**
New Water District*	$0	See note below	$	$0	-	-
Town Residents	**Tax Rate Before**	**Tax Rate After**	**Property Tax Before (per $100,000 assessed value)**	**Property Tax After (per $100,000 assessed value)**	**Property Tax Change**	**Percent Change**
Town wide Tax	$3.15	$5.40	$315	$540		
Town Outside of Village Tax	$1.95	$-	$195	$-		
Total	**$5.10**	**$5.40**	**$510**	**$540**	**$30**	**5.9%**

Note: *A new special taxing district will be created for water and lighting services in the area of the former Village of Salem. Only property-owners/users in this area will be charged for these services. The current budgeted expenditures for Lighting is not anticipated to change; therefore, for estimating purposes, the cost is presented as 0.68//$100,000 of assessment. Salem Water District users will still be required to pay $177/EDU for debt service, plus an estimated $170/EDU for operations and maintenance.*

Upon dissolution, the projected tax rates for former Village property-owners would decrease by approximately 46%, an estimated savings of $513 on a property with an assessed value of $100,000. Town property-owners would see an estimated increase of 5.9%, which is equivalent to an additional $30 on a property with an assessed value of $100,000. These estimates do not include the projected Citizen Empowerment Tax Credit (CETC) savings. Former Village property-owners will still be required to pay their per unit user fees for debt service and operations and maintenance for Salem Water District, as well as other Lighting District charges.

Projected Tax Impact of Dissolution (90% CETC Savings)

As previously mentioned, the Steering Committee recommended that Town residents would use 90% of CETC monies toward the reduction of the tax levy, with the remaining 10% used toward miscellaneous Capital Improvement Projects. By setting aside 10% of CETC monies annually for ongoing Capital Improvements, the estimated CETC would be equivalent to $117,738 per year, to be applied to the reduction of the Town tax levy. When applying CETC monies, it is projected that Village tax rates will decrease to $5.09 per $1,000 of assessment, a percent reduction of 54.7%, and the Town tax rates would decrease to $4.40 per $1,000 of assessment, or a 13.7% tax reduction. This equates to an estimated savings of $613 per $100,000 of assessment for a former Village taxpayer, and a savings of $70 per $100,000 of assessment for a Town taxpayer, (see **Table 13**).

Table 13: Projected Tax Impact of Dissolution (90% CETC Savings)

Former Village Residents	Tax Rate Before	Tax Rate After	Property Tax Before (per $100,000 assessed value)	Property Tax After (per $100,000 assessed value)	Property Tax Change	Percent Change
Village Tax	$8.07	$-	$807	$-	-	-
Town Wide Tax	$3.15	$4.40	$315	$440	-	-
New Lighting District*	$-	$0.68	$-	$68	-	-
Total CETC - 90%	**$11.22**	**$5.09**	**$1,122**	**$509**	**$(613)**	**-54.7%**
New Water District*	$-	See note below	$-	$0	-	-
Town Residents	**Tax Rate Before**	**Tax Rate After**	**Property Tax Before (per $100,000 assessed value)**	**Property Tax After (per $100,000 assessed value)**	**Property Tax Change**	**Percent Change**
Town Wide Tax	$3.15	$4.40	$315	$440		
Town Outside of Village Tax	$1.95	$-	$195	$-		
Total CETC - 90%	**$5.10**	**$4.40**	**$510**	**$440**	**$(70)**	**-13.7%**

Note: *A new special taxing district will be created for water and lighting services in the area of the former Village of Salem. Only property-owners/users in this area will be charged for these services. The current budgeted expenditures for Lighting is not anticipated to change; therefore, for estimating purposes, the cost is presented as 0.68//$100,000 of assessment. Salem Water District users will still be required to pay $177/EDU for debt service, plus an estimated $170/EDU for operations and maintenance (O&M), an estimated decrease of $28/EDU post dissolution based on the assumption that the Town will decrease the overall staffing needs/costs for the new Water District. The final determination for how water user rates are billed will be further developed upon creation of the new Water District. Village dissolution will not impact the existing cost of the Shushan and Salem Fire Protection Districts, or the Shushan Lighting District.*

Projected Tax Impact of Dissolution (70% and 100% CETC Savings)

For illustrative purposes, **Tables 14** and **15** show the projected tax impact of dissolution when applying the State required a minimum of 70% and a maximum of 100% of the Citizen Empowerment Tax Credit (CETC) toward the reduction of the future projected tax levy.

Table 14: Projected Tax Impact of Dissolution (70% CETC Savings)

Former Village Residents	Tax Rate Before	Tax Rate After	Property Tax Before (per $100,000 assessed value)	Property Tax After (per $100,000 assessed value)	Property Tax Change	Percent Change
Village Tax	$8.07	$-	$807	$-	-	-
Town Wide Tax	$3.15	$4.63	$315	$463	-	-
New Lighting District*	$-	$0.68	$-	$68	-	-
Total CETC - 70%	**$11.22**	**$5.31**	**$1,122**	**$531**	**$(591)**	**-52.7%**
New Water District*	$-	See note below	$-	$0	-	-
Town Residents	**Tax Rate Before**	**Tax Rate After**	**Property Tax Before (per $100,000 assessed value)**	**Property Tax After (per $100,000 assessed value)**	**Property Tax Change**	**Percent Change**
Town Wide Tax	$3.15	$4.63	$315	$463		
Town Outside of Village Tax	$1.95	$-	$195	$-		
Total CETC - 90%	**$5.10**	**$4.63**	**$510**	**$463**	**$(48)**	**-9.3%**

Table 15: Projected Tax Impact of Dissolution (100% CETC Savings)

Former Village Residents	Tax Rate Before	Tax Rate After	Property Tax Before (per $100,000 assessed value)	Property Tax After (per $100,000 assessed value)	Property Tax Change	Percent Change
Village Tax	$8.07	$0-	$807	$-	-	-
Town Wide Tax	$3.15	$4.29	$315	$ 429	-	-
New Lighting District*	$0	$0.68	$0	$68	-	-
Total	**$11.22**	**$4.97**	**$1,122**	**$497**	**$(624)**	**-55.6%**
New Water District*	$0	See note below	$	$0	-	-
Town Residents	**Tax Rate Before**	**Tax Rate After**	**Property Tax Before (per $100,000 assessed value)**	**Property Tax After (per $100,000 assessed value)**	**Property Tax Change**	**Percent Change**
Town wide Tax	$3.15	$4.29	$315	$429		
Town Outside of Village Tax	$1.95	$-	$195	$-		
Total	**$5.10**	**$4.29**	**$510**	**$429**	**$(81)**	**-15.9%**

Table 16 through **18** below provide a more detailed illustration of the estimated financial effects of the dissolution of the Village of Salem on Village and Town taxpayers.

Table 16: Budget Before Dissolution

Village							Town						
Fund	Budget	Revenue	Fund Balance	RP Tax Levy	Tax Rate/ $1,000	Tax Rate/Unit	**Fund**	Budget	Revenue	Fund Balance	RP Tax Levy	Taxable Value	Tax Rate/ $1,000
	$0	$0	$0	$0	$0	$0	General Fund (town wide)	$303,989	$90,880	$55,000	$158,109	$117,722,641	$1.34
	$0	$0	$0	$0	$0	$0	General Fund (TOV)	$26,300	$12,650	$1,000	$12,650	$88,776,131	$0.14
	$0	$0	$0	$0	$0	$0	Highway Fund (town wide)	$298,025	$25,455	$60,000	$212,570	$117,722,641	$1.81
		$0	$0	$0	$0	$0	Highway Fund (TOV)	$300,236	$107,500	$32,000	$160,736	$88,776,131	$1.81
General	$329,283	$92,814	$0	$236,468	$8.07	$0		$0	$0	$0	$0	$0	
Water	$174,182	$82,584	$0	$91,598	$0	$177		$0	$0	$0	$0	$0	
Library	$60,300	$53,510	$6,790	$0	$0			$0	$0	$0	$0	$0	
Total	$563,764	$228,908	$6,790	$328,066	$8.07	$177		$928,550	$236,485	$148,000	$544,065		
Total Current Combined Town & Village for Purposes of Comparison								**Budget T & V Combined**	**Revenue T & V Combined**	**Fund Balance T & V Combined**	**RP Tax Levy T & V Combined**		
								$1,492,314	$465,393	$154,790	**$872,131**		

Table 17: New Town of Salem Budget Estimate After Dissolution

Estimated New Town of Salem							
Fund	Estimated Budget	Estimated Revenue	Estimated Fund Balance	Estimated RP Tax Levy	Estimated Taxable Value	Estimated Tax Rate/ $1,000	Estimated Fee / EDU
General Fund (town wide)	$414,872	$156,038	$56,000	$202,834	$117,722,641	$1.72	
Highway Fund (town wide)	$723,541	$198,220	$92,000	$433,322	$117,722,641	$3.68	
Library Fund (town wide)	$60,300	$53,510	$6,790	$0	$117,722,641	$0.00	
New Salem Lighting District *(applicable to district beneficiaries only)*	$20,000	$0	$0	$20,000	$29,313,736	$0.68	
New Salem Water District (O&M) *(applicable to district beneficiaries only)*	$69,617	$69,617	$0	$0	$0	$0	$170/EDU
New Salem Water District (Debt) *(applicable to district beneficiaries only)*	$91,598	$91,598				$0	$177/EDU
Total	$1,379,928	$$568,983	$154,790	**$656,156**			
Net Real Property Tax Levy				**$656,156 (excluding CETC)**			

Table 18: Citizen Empowerment Tax Credit (CETC) Calculations

	Real Property Tax Levy	Annual CETC Savings [1]	Net Real Property Tax Levy	Taxable Value	Projected New Townwide Tax Rate/$1,000 [2]
With CETC (100%)	$872,131	$130,820	$505,336	$117,722,641	$4.29
With CETC (90%)	$872,131	$117,738	$518,418	$117,722,641	$4.40
With CETC (70%)	$872,131	$91,574	$544,582	$117,722,641	$4.63
Without CETC	$872,131	$0	$636,156	$117,722,641	$5.40

Note: *1) The Citizen Empowerment Tax Credit (CETC) is determined by taking 15% of the current combined tax levy of the Town and Village of Salem ($872,131 FY 2014). The estimated change in tax rate is based on subtracting the CETC from the projected real property tax levy minus the projected costs of any special districts, equaling a net new real property tax levy. Former Village taxpayers will be charged this new estimated townwide tax rate, plus will remain responsible for all necessary fees associated the new Lighting and Water Districts.*

VIII. Other Matters Pertinent to Dissolution

Other Matters Pertinent to Dissolution

This section outlines other matters that are necessary to carry out the dissolution in accordance with GML §774(n).

Creation of Special District – Water

Upon dissolution, the Town Board will create and establish by resolution a Special Improvement District to be known as the "Town of Salem Water District" as provided by Articles 12 and 12-A of the Town Law. Establishment of the Water District will provide the Town a means of attributing financial responsibility for expenses related to public water obligations to former Village residents. 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 and whose property receives water from the public water system. 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. All property, facilities, infrastructure, and equipment used by the Village for operating and maintaining the water system will be turned over to the Town at no cost. The boundary of this District will mirror the current boundary of the existing service area.

The basic steps in creating the Special Improvement District are as follows. See **Appendix F** for important guidance documents and procedures for creating Special Districts:

- The Town of Salem will establish a new Water District by Town Board motion, pursuant to Article 12-A of the Town Law, subject to permissive referendum. (See also Town Law Article 7).
- NYS Comptroller's approval is required for the establishment or extension of a town special district if two factors are present: (1) debt is to be issued or assumed (see Town Law § 198[12]) by the town for the improvement, and (2) the "cost of the district or extension" to the "typical property" or, if different, the "typical one or two family home" as stated in the notice of hearing on the establishment or extension, is above the average annual estimated cost threshold for similar types of districts as may be computed by the State Comptroller (Town Law §§ 194[6], 209[f]). Effective January 1, 2014 through December 31, 2014, "the average estimated costs apply to town special district establishments, extensions, or increases in the maximum amount to be expended is $805 for a Water District". Certified copies of Town resolutions must be filed with the Comptroller regardless of approval requirements.
- Town Law Article 12-A requires a Map, Plan and Report to establish the Water District. (Town Law §209-b, c, e)
- Town Board must apply for and obtain a water supply permit from the NYSDEC.

Creation of Special District – Lighting

Upon dissolution, the Town Board will create and establish by resolution a Special Improvement District to be known as the "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 District which is coterminous with the boundary of the former Village of Salem. See **Appendix F** for important guidance documents and procedures for creating Special Districts.

APPENDICES

APPENDIX A:
Local Road Listing

New York State Department of Transportation
Local Roads Listing

Municipality: **Village of Salem**
Washington County

Geocode: **1437**
NYSDOT Region: 1

Jurisdiction: **Village**

DOT ID	State Route	County Road#	Road/ Street Name	Start of Section	End of Section	Beg MP	End MP	Length	DIV Hwy	No. of Lanes	One Way	Pvt Type	Pvt Width	Shldr Width	Med Type	Med Width	Func Class	NHS
118393			ACADEMY ST	WEST BROADWAY	RAILROAD ST	0.00	0.08	0.08		2		A	10	0	None	0	9	
118394			ARCHIBALD ST	WEST BROADWAY	NICHOL ST	0.00	0.08	0.08		2		A	10	0	None	0	9	
118394			ARCHIBALD ST	NICHOL ST	PARK PL	0.08	0.20	0.12		2		A	10	0	None	0	9	
118394			ARCHIBALD ST	PARK PL	SOUTH MAIN ST	0.20	0.35	0.15		2		A	10	0	None	0	9	
118395			BLANCHARD ST	NORTH MAIN	MCDOUGAL ST	0.00	0.18	0.18		2		A	10	0	None	0	9	
118396			BLIND BUCK RD	EAST BROADWAY	VILLAGE LIMITS	0.00	0.39	0.39		2		A	10	0	None	0	9	
118397			BROOK LA	SOUTH MAIN ST	DEAD END	0.00	0.20	0.20		1		U	10	0	None	0	9	
118398			CATHOLIC CHURCH LA	VALE ST	STANTON HILL RD	0.00	0.08	0.08		2		A	10	0	None	0	9	
118399			CATO ST	EAST BROADWAY	DEAD END	0.00	0.09	0.09		2		A	10	0	None	0	9	
118400			EAST HIGH ST	NORTH MAIN ST	DEAD END	0.00	0.15	0.15		2		A	10	0	None	0	9	
118401			HAMILTON LA	VAIL ST	STANTON HILL RD	0.00	0.06	0.06		1		U	10	0	None	0	9	
118402			MCDOUGAL ST	BLANCHARD ST	NORTH MAIN ST	0.00	0.06	0.06		2		A	10	0	None	0	9	
118403			NICHOL ST	SOUTH MAIN ST	ARCHIBALD ST	0.00	0.17	0.17		2		A	10	0	None	0	9	
118404			NORTH RD	NORTH MAIN ST	DEAD END	0.00	0.09	0.09		2		U	10	0	None	0	9	
118405			PARK PL	SOUTH MAIN ST	ARCHIBALD ST	0.00	0.18	0.18		2		A	10	0	None	0	9	
118405			PARK PL	ARCHIBALD ST	DEAD END	0.18	0.26	0.08		2		A	10	0	None	0	9	
118406			QUARRY RD	NO MAIN ST	VILLAGE LIMITS	0.00	0.36	0.36		2		U	10	0	None	0	9	
118407			RAILROAD ST	ACADEMY ST	WILLIAMS ST	0.00	0.06	0.06		2		U	10	0	None	0	9	
118407			RAILROAD ST	WILLIAMS ST	MAIN ST	0.06	0.19	0.13		2		A	10	0	None	0	9	
118408			RAILROAD ST EXT	W BROADWAY	ACADEMY ST	0.00	0.11	0.11		1		U	10	0	None	0	9	
118409			RILEY HILL RD	SOUTH MAIN ST	VILLAGE LIMITS	0.00	0.78	0.78		2		A	10	0	None	0	9	
118410			STANTON HILL RD	VALE ST	JEWITT LINE	0.00	0.30	0.30		1		A	10	0	None	0	9	
118410			STANTON HILL RD	JEWITT LINE	DEAD END	0.30	0.77	0.47		1		U	10	0	None	0	9	
118411			THOMAS ST	RAILROAD ST	VALE ST	0.00	0.16	0.16		2		A	10	0	None	0	9	
118411			THOMAS ST	VALE ST	NORTH MAIN ST	0.16	0.32	0.16		2		A	10	0	None	0	9	
118412			VALE ST	NORTH MAIN ST	THOMAS ST	0.00	0.06	0.06		2		A	10	0	None	0	9	
118412			VALE ST	THOMAS ST	STANTON HILL R	0.06	0.23	0.17		2		A	10	0	None	0	9	
118413			WARREN ST	EAST BROADWAY	DEAD END	0.00	0.10	0.10		2		A	10	0	None	0	9	
118414			WILLIAMS ST	WEST BROADWAY	RAILROAD ST	0.00	0.10	0.10		2		A	10	0	None	0	9	

Centerline Miles Total: 5.12
Lane-Miles Total: 9.10

Jurisdiction: **County** County-maintained roads are shown below for reference.

DOT ID	State Route	County Road#	Road/ Street Name	Start of Section	End of Section	Beg MP	End MP	Length	DIV Hwy	No. of Lanes	One Way	Pvt Type	Pvt Width	Shldr Width	Med Type	Med Width	Func Class	NHS
117069		153	E BROADWAY	SR 22		0.00	0.06	0.06		2		A	38	0	None	0	8	

New York State Department of Transportation
Local Roads Listing

Municipality: **Village of Salem**
Washington County

Geocode: **1437**
NYSDOT Region: 1

Jurisdiction: **County** County-maintained roads are shown below for reference.

DOT ID	State Route	County Road#	Road/ Street Name	Start of Section	End of Section	Beg MP	End MP	Length	DIV Hwy	No. of Lanes	One Way	Pvt Type	Pvt Width	Shldr Width	Med Type	Med Width	Func Class	NHS
117069		153	E BROADWAY		W ENT SAL SCH	0.06	0.14	0.08		2		A	27	0	None	0	8	
117069		153	E BROADWAY	W ENT SAL SCH		0.14	0.24	0.10		2		A	34	0	None	0	8	
117069		153	E BROADWAY		CATO ST	0.24	0.25	0.01		2		A	27	0	None	0	8	
117069		153	E BROADWAY	CATO ST	WARREN ST	0.25	0.27	0.02		2		A	27	0	None	0	8	
117069		153	E BROADWAY	WARREN ST		0.27	0.35	0.08		2		A	23	4	None	0	8	
117069		153	E BROADWAY		SALEM VL	0.35	1.21	0.86		2		A	21	4	None	0	8	
117055		64	SALEM-SUSHAN	SALEM VL	SR 22	8.14	8.57	0.43		2		A	22	4	None	0	8	
117031		30	W BROADWAY	SR 22	E/WILLIAMS ST	0.00	0.07	0.07		2		A	38	0	None	0	8	
117031		30	W BROADWAY	E/WILLIAMS ST		0.07	0.38	0.31		2		A	28	0	None	0	8	
117031		30	W BROADWAY			0.38	0.41	0.03		2		A	23	0	None	0	8	
117031		30	W BROADWAY		BR C62	0.41	0.46	0.05		2		A	23	0	None	0	8	
117031		30	W BROADWAY	BR C62		0.46	0.49	0.03		2		A	23	4	None	0	8	
117031		30	W BROADWAY		SALEM VL	0.49	0.76	0.27		2		A	22	4	None	0	8	

Centerline Miles Total: 2.40
Lane-Miles Total: 4.80

APPENDIX B:
Village Service Cost Shift Worksheet, FY 2014-15

Appendix B: Village of Salem Service Cost Shift Worksheet Based on Budget for FY 2014-15				
Service/Category	**Current Budgeted Expenditures**	**Action Upon Dissolution**	**Potential Expenditure Adjustment to the Town Budget**	**Fiscal Impact**
GENERAL FUND EXPENDITURES				
Village Board	$ 1,500	Eliminate	$ -	$ (1,500)
Mayor	$ 4,147	Eliminate	$ -	$ (4,147)
Village Justice	$ 7,041	Eliminate	$ -	$ (7,041)
Clerk/Treasurer/ Tax Collector	$ 31,593	Eliminate	$ -	$ (31,593)
Tax Expense	$ 1,100	Eliminate	$ -	$ (1,100)
Village Attorney	$ 3,000	Eliminate	$ -	$ (3,000)
Election Inspectors	$ 630	Eliminate	$ -	$ (630)
Public Works Administration	$ 38,050	Eliminate	$ -	$ (38,050)
Shared Services (Village Hall/Library)	$ 33,500	Transfer	$ 33,500	$ -
Special Items (Property Insurance)	$ 12,900	Transfer	$ 12,900	$ -
Special Items (Contingency)	$ 7,000	Eliminate	$ -	$ (7,000)
Public Safety (Crossing Guard)	$ 4,800	Transfer	$ 4,800	$ -
Registrar of Vital Statistics	$ 100	Eliminate	$ -	$ (100)
Transportation (Personal Services)	$ 29,300	Hire 1 new FT and 1 new PT highway employee to be shared with New Water District	$ 58,349	$ 29,049
Transportation (Equipment)	$ 10,000	Eliminate	$ -	$ (10,000)
Transportation (Contractual)	$ 28,000	Transfer	$ 28,000	$ -
Transportation (Permanent Improvements - Paving)	$ 38,931	Transfer	$ 38,931	$ -
Street Lighting	$ 20,000	Transfer to New Lighting District	$ -	$ (20,000)
Culture and Recreation (Park)	$ 500	Transfer	$ 500	$ -
Culture and Recreation (Youth Agencies)	$ 4,750	Transfer	$ 3,375	$ (1,375)
Culture and Recreation (Historian)	$ 1,220	Transfer	$ 1,220	
Culture and Recreation (Historic Preservation Commission)	$ 500	Eliminate	$ -	$ (500)
Culture and Recreation (Senior Programs)	$ 250	Transfer	$ 250	$ -
Community Beautification	$ 250	Transfer	$ 250	$ -
Employee Benefits	$ 36,820	Transfer costs proportionate to expected new hires	$ 27,788	$ (9,032)
Interfund Transfers (Village to Library Fund)	$ 13,500	Eliminate	$ -	$ (13,500)
Library (All Expenditures)	$ 60,300	Transfer	$ 60,300	$ -
Water (All Operating Expenditures)	$ 82,584	Transfer to New Water District		$ (82,584)
Water (Debt Service)	$ 91,598	Transfer to New Water District		$ (91,598)
Total Current Village Expenditures:	***$563,864***			
		Total Cost Transfered to Town Budget:	**$ 270,163**	
		Total Fiscal Impact of Budget Changes Upon Dissolution:		$ (293,701)
		Total Estimated New Water District Expenditures:	$ 174,182	
		Total Estimated New Lighting District Expenditures:	$ 20,000	
		Total Estimated Municipal Townwide & TOV General Expenditures:	$ 475,172	
		Total Estimated Townwide & TOV Highway Expentirues:	$ 723,541	
		Total Estimated Municipal Expenditures After Dissolution (excluding special districts):	$1,198,713	
GENERAL FUND REVENUES				
RPT Interest & Penalties	$ 2,500	Transfer	$ 2,500	$ -

Non-Property Tax Distr by County (Sales Taxes)	$ 11,700	Transfer	$ 11,700	$ -
Franchises - Cable	$ 11,600	Transfer	$ 11,600	$ -
Youth School & Town (revenue from Town for program)	$ 1,375	Eliminate	$ -	$ (1,375)
Interest Earned	$ 175	Transfer	$ 175	$ -
Rental of Real Property (from Salem Fire Dept)	$ 10,600	Transfer	$ 10,600	$ -
Licenses & Permits	$ 53	Transfer	$ 53	$ -
Fines & Forfeitures (Village Justice)	$ 4,000	Transfer	$ 4,000	$ -
Other (Room Rent)	$ 1,000	Transfer	$ 1,000	$ -
State Aid per Capita	$ 7,732	Transfer	$ 7,732	$ -
Mortgage Tax	$ 2,700	Transfer	$ 2,700	$ -
Public Works Department - State Aid (CHIPS)	$ 38,931	Transfer	$ 38,931	$ -
State Aid for Youth	$ 448	Transfer	$ 448	$ -
New Highway/Water District Personell	$ -	Transfer to General Fund for shared personal costs	$ 26,333	$ 26,333
Library (Dept Income)	$ 1,800	Transfer	$ 1,800	
Library (Intergovernment Charges)	$ 31,890	Transfer	$ 31,890	
Library (Interest)	$ 120	Transfer	$ 120	
Library (Misc - Donations)	$ 5,000	Transfer	$ 5,000	
Library (Interfund Revenues -from Village)	$ 13,500	Transfer	$ 13,500	
Library (State Aid)	$ 1,200	Transfer	$ 1,200	
Library (Fund Balance)	$ 6,790	Transfer	$ 6,790	
Total Estimated General Fund Revenues (not including RPT):			***$ 178,073***	
Total Fiscal Impact of Budget Changes Upon Dissolution:				$ 24,958
NEW WATER DISTRICT EXPENDITURES				
Operating (includes personel services & benefits)	$ 82,584	Eliminate personnel services and benefits. Transfer remaining operating costs	$43,284	$ (39,300)
Personal Services and Employee Benefits	$ -	Estimated cost of new Town Employee	$26,333	$ 26,333
Debt Service	$ 91,598	Transfer	$91,598	$ -
NEW WATER DISTRICT REVENUES				
Real Property Tax (Special Assessment for Debt Service)	$ 91,598	Transfer to New Water District	$ 91,598	$ -
Departmental Income (Metered Sales)	$ 81,284	Transfer to New Water District	$ 68,317	$ (12,967)
Interest Earnings	$ 200	Transfer to New Water District	$ 200	$ -
Penalties	$ 1,100	Transfer to New Water District	$ 1,100	$ -
Total Estimated New Water District Revenues:			$ 161,215	$ (12,967)
Total Fiscal Impact of Budget Changes Upon Dissolution:				$ (38,901)
NEW SALEM LIGHTING DISTRICT EXPENDITURES				
Contracted cost	$ 20,000	Transfer	$ 20,000	$ -
NEW SALEM LIGHTING DISTRICT REVENUES				
Real Property Tax (Special Assessment for Street Lighting)	$ 20,000	Transfer	$ 20,000	$ -
Total Estimated New Lighting District Revenues:			$ 20,000	$ -
Total Fiscal Impact of Budget Changes Upon Dissolution:				$ -

APPENDIX C:
Property Insurance Coverage/Values

Statement of Values

Print Date: 03/07/14

Client Name and Address
Village of Salem
181 So. Main Street; PO Box 297
Salem, NY 12865

Company
NYMIR

Policy Number
APPMCAVSAL001

Effective Date 07/01/14
Expiration Date 07/01/15

Agency Name and Address
Adirondack Trust Insurance
31 Church Street - 4th Floor
PO Box 336
Saratoga Springs, NY 12866

Loc. #	Bldg. #	Location Address / Building Description	Coverage	Value	Cause of Loss	Coins	Val
1		Main Street Salem, NY 12865					
	1	VILLAGE HALL & LIBRARY	Building	1,049,230	Special (Inc	90%	RC
			Personal Property	74,263	Special (Inc	90%	RC
	2	GAZEBO	Building	13,328	Special (Inc	90%	RC
			Total Value:	1,136,821			
2		Archibald Street Salem, NY 12865					
	1	STORAGE BUILDING	Building	23,466	Special (Inc	90%	RC
			Personal Property	3,740	Special (Inc	90%	RC
			Total Value:	27,206			
3		53 Stanton Hill Road Salem, NY 12865					
	1	Water treatment plant office & chlorination room	Building	381,924	Special (Inc	90%	RC
			Personal Property	12,731	Special (Inc	90%	RC
	2	Water Tank (320,000 gallon capacity)	Building	496,289	Special (Inc	90%	RC
			Total Value:	890,944			
			Grand Total Value:	2,054,971			
				X 90%	COINSURANCE		
				1,849,474 =	Blanket Limit		

CISGEM C540 Page: 1 of 1 Insured's Signature/Title: Date:

APPENDIX D:
Detailed Equipment Lists
Insurance Information

Equipment

Blue is Water

Year	Item Description	Condition	Approximate Value
2005	Ford F450 Super Duty - Dump Truck	Fair	
2012	Tarco 9' SS Sander	Good	
2005	Fisher 9' MC Plow	Fair	
*****	**********	**********	**********
2012	New Holland B95B - Backhoe Loader	Good	
2013	5500 Lb. Bolt on Forks	Fair	
*****	**********	**********	**********
2013	Kubota B2320 - Compact Loader	Good	
2013	47" Bucket	Good	
2013	Frame Mount Attachment	Good	
2013	60" Straight Blade	Good	
???	60" Land Pride York Rake	Fair	
2006?	60" Land Pride Finnish Mower	Fair	
1972	V-Plow	Poor	
*****	**********	**********	**********
2004	Ford Crown Vic - 4 Door Car	Fair	
*****	**********	**********	**********
1991	International Dump Truck	Poor	
*****	**********	**********	**********
2003	Haulmark 16' - Enclosed Trailer	Fair	

Water Office

NV = No Value

Location	#	Item Description	Condition	Approximate Value
Chemical	2	"Stenner" Chlorine Pumps	Fair/Poor	
Chemical	1	Eye Wash Station	Good	
Chemical	1	"Walchem" K5 Pump	Fair	
Chemical	1	15 Gallon Day Tank - K5	Fair	
Chemical	1	55 Gallon Day Tank - Chlorine	Fair	
Chemical	1	"car boy" opening wrench	Good	
Chemical	2	Rusty screw drivers " regular"	Poor	
Chemical	1	Rusty Dust Pan	Poor	
Chemical	1	Dust Broom	Fair	
Chemical	1	Rusty Folding Chair	Poor	
Chemical	X	Safety Equipment	xxx	
Chemical	X	Chemicals For Water Treatment	xxx	
*****	*	**********	**********	**********
Process	3	"Cutler Hammer" VFD Drive	Fair	
Process	3	"Badger" Flow Meter	Good	
Process	1	"Pratt" Auto Valve	Good	
Process	1	Control Computer - PLC	Good/Fair	
Process	3	Temp Gauges "not working"	Poor	
Process	1	Fire Extinguisher	Good	
Process	1	Squeegee	Good	
Process	1	Mop with Mop Pail	Fair	
*****	*	**********	**********	**********
Restroom	X	Cleaning Supply's	xxx	
*****	*	**********	**********	**********
Office	1	200 Piece 1st Aid Kit	Fair	
Office	1	Time Clock "Pyramid 3500"	Good	
Office	1	Fire Extinguisher	Good	
Office	1	Clock	Good	
Office	2	Cork Board 3'x2'	Fair	
Office	1	Dry erase board	Good	
Office	1	HP Office Jet 8600 Paint	Good	
Office	1	Garbage Can	Fair	
Office	2	Office Desk Top Computers "LG + Dell"	Fair/Good	
Office	1	Laptop Computer For Meter Reading	Fair	
Office	3	Office Chairs "1 old 1 new 1 free"	Fair	
Office	1	Office Refrigerator 32"x20"	Fair	
Office	5	Test Kits "2 Chlorine - K5 - FE - MN"	Fair	
Office	2	Phone's "vTech - 1 old" + Answering Machine	Fair	
Office	X	Testing Supply's	xxx	
Office	X	Office Supply's	xxx	
Office	X	Test Bottles "FE + MN and Bac-t."	xxx	
Office	X	Files + Records	xxx	
Office	X	Safety Information + Equipment	xxx	

Water Office

Location	#	Item Description	Condition	Approximate Value
Closet	1	File Cabinet "4"	Good	
Closet	X	Files	xxx	
Closet	X	Computer Programs - Desks	xxx	
Closet	X	Blue Prints	xxx	
Closet	X	Water Picture's	xxx	
Closet	X	Office Supply's	xxx	
Closet	2	"North" Safety Harnesses - Size M	Good	
Closet	2	"safe-t-climb" Fall Protection	Good	
Closet	1	Main Gate Valve Lifting Harness	Good	
Closet	1	"Standard" Chemical Pump For Day Tank	Good	
Closet	1	Garden Hose	Good	
Closet	1	2 1/2" Fire Hydrant Meter "Badger"	Good	
Closet	1	Lift All Strap - 2"W x 8'L "tuff-edge"	Good	
Closet	1	Folding Metal Chair	Good	
Closet	1	"Lasko" Box Fan	Good	
Closet	1	"Magna-lock" Curb Stop Locator	Fair	
Closet	1	"Sure-lock" Main Locator	Good	
********	***	**Will Make Better List of Below Items**	**********	**********
Closet	X	Power Generator Spare Parts	xxx	
Closet	X	Well Spare Parts	xxx	
Closet	X	PLC Spare Parts	xxx	
Closet	X	Chemical Pump Spare Parts	xxx	
Closet	X	Old Chemical Pumps - PARTS	xxx	
Closet	X	Fire Hydrant Repair Parts	xxx	
Closet	X	Fire Hydrant Repair Tools	xxx	
Closet	X	Water Meters	xxx	
Closet	X	Water Meters Repair Parts	xxx	
Closet	X	Water Meter Repair Tools	xxx	

DPW Shop

Who	#	Item Description	Condition	Approximate Value
Both	1	Storage 80"x36"	Fair	
Both	2	Storage File Cabinet	Fair	
Both	1	Storage 33"x16"	Fair	
Both	1	Old Metal Desk	Fair	
Both	1	Storage 6 shelf	Fair	
Both	2	Storage 52"x19"	Fair	
Both	1	Storage 36"x72"	Fair	
Both	3	Storage 6"x5"	Fair	
Both	4	Metal Folding Chairs	Fair	
Both	1	Flag Pole	Fair	
Water	1	Kohler 100 Power Generator	Good	
Water	2	5 Lb. Fire Extinguisher	Good	
Highway	2	2.5 lb. Fire Extinguisher	Good	
Water	4	Curb Stop Wrench	Fair	
Water	2	Main Valve Wrench	Fair	
Water	2	Fire Hydrant Wrench	Fair	
Water	1	Curb Stop Cleaner Tool	Good	
Water	1	Main Valve Cleaner Tool	Fair	
Highway	2	Roller Creeper	Fair/Poor	
Highway	X	Highway Paint + Painting Supplies	Good	
Highway	X	New Road Sign / Spare's	Good	
Highway	2	Garden Hose	Fair	
Water	2	Stop/Slow Work Signs	Good	
Water	X	Water Meter Parts	Good/Fair	
Highway	1	Work 2700 Pressure Washer	Fair	
Water	1	Extension Ladder 30'?	Fair	
Water	1	12' Step Ladder	Fair	
Highway	1	8' Step Ladder	Poor	
Both	X	Road Cones	Fair/Poor	
Water	3	5 Gallon Diesel Jug	Fair	
Highway	X	Bags Of Ice Melt	xxx	
Highway	X	Random Equipment Parts	xxx	
Highway	X	Random Equipment Fluids	xxx	
Water	1	20 Lb. Propane Tank With Torch	Fair	
Both	X	Power Cords	xxx	
Highway	X	Random Land Pride Mower Parts	Good/Fair	
Highway	X	Spray Lubricants - Paint Ext...	xxx	
Both	X	Paint + Painting Supplies	xxx	
Highway	1	Parking Lot Line Marker	Fair/Poor	
Highway	3	Tire Chain Sets	Good/Fair	
Highway	2	NAPA 6 Ton Jack Stand	Good	
Highway	2	Heavy Chain With Hooks (1 short - 1 Long)	Fair	
Both	X	Files + Owner Manuel	xxx	

DPW Shop

Who	#	Item Description	Condition	Approximate Value
Water	1	Mueller Fire Hydrant	Good	
Both	1	Dry Erse Board 32"x32"	Good	
Highway	1	Cutting Edge For 9' Fisher MC Plow	Good	
Water	1	20' Fire Hose "Red One For Flushing"	Fair	
Water	1	Tee 2 1/2" Hydrant Flushing Diverter	Good	
Highway	2	Poulan Pro Mush Mower	Fair	
Highway	1	Poulan Pro Mush Mower "Parts"	Poor	
Highway	1	5 Gallon Gas Safety Can	Good	
Highway	1	2.5 Gallon Gas Safety Can	Fair	
Highway	3	1 Gallon Gas Safety Can	Fair	
Water	1	Husqvarna 375K Chop Saw	Fair	
Highway	1	Stihl MS250 Chain Saw 16"	Good	
Highway	1	Stihl MS391 Chain Saw 20"	Good	
Highway	2	Chain Saw Safety Chaps	Fair	
Highway	1	Stihl HT101 Pole Chain Saw	Good	
Both	1	Campbell Hausfeld 60 Gallon Air Compressor	Good	
Both	1	Legacy Air Hose Reel With Air Hose	Fair	
Both	1	Extra Air Hose 3/8"	Good	
Highway	1	3 gallon Oil Drip Pan	Poor	
Both	2	Old Garbage Can	Poor	
Both	X	Random Tools + Fluids	xxx	
Highway	1	Stihl Weedeatter KM90R	Good	
Highway	1	Stihl Weedeatter FS90R	Good	
Highway	1	Stihl Weedeatter Power Head FS85T	Fair/Poor	
Water	1	Stihl Weedeatter KM90R	Good	
Water	2	Power Broom (Paddle and Broom)	Fair	
Water	1	24" Stihl Bar Cutter	Fair	
Highway	1	Echo Weedeatter SRM3100	Fair	
Highway	1	Echo Weedeatter PAS260 Power Head	Fair	
Water	1	2.5 Ton NAPA Floor Jack	Fair	
Highway	1	Leaf Blower Stihl BG55	Good	
Highway	1	Leaf Blower John Deere BH30	Fair	
Water	1	NAPA 2 Piece Tool Box	Good	
Water	X	Random Hand Tools / Ext...	Good/Fair	
Highway	2	Saw Horse	Good	
Highway	1	Shop-Vac 8 Gallon Wet/Dry	Fair	
Highway	1	OLD Battery Charger 6/12 Volt	Poor	
Water	1	Lincoln 12 Volt Grease Gun	Good	
Water	1	DeWalt 18 Volt Drill	Good	
Water	1	DeWalt DW756 Bench Top Grinder	Good	
Water	1	Babco 6 Ton Vice	Fair	
Highway	2	48" Level	Good/Fair	
Highway	1	24" Level	Poor	

DPW Shop

Who	#	Item Description	Condition	Approximate Value
Water	X	Fire Hose	Poor	
Both	X	Random Hand Tools / Ext...	xxx	
Water	1	50' Heavy Chain With Hooks	Good	
Water	1	GX160 De-Watering Pump	Fair	
Highway	1	Wheel Barrel	Fair	
Highway	1	30"x6' Dry Well Pipe	Good	
Both	X	Old Men Working Safety Signs	Poor	
Water	4	Main Water Valve Box (2 Piece)	Good	
Water	6	Main Water Valve Box Cap	Good	
Water	1	Mueller 6" Valve	Good	
Water	1	Mueller 8" Valve	Good	
Water	X	Random Valve Box Risers	Good	
Water	4	Curb Stop Box With Rod	Good	
Water	2	12" Repair Coupling	Good	
Water	2	8" Repair Coupling	Good	
Water	2	6" Repair Coupling	Good	
Water	6	12" Repair Part	Good	
Water	6	8" Repair Part	Good	
Water	6	6" Repair Part	Good	
Water	4	12" Joint And Gasket	Good	
Water	4	8" Joint And Gasket	Good	
Water	4	6" Joint And Gasket	Good	
Water	X	Random Main Repair Parts	Good	
Water	04	Meter Pit	Good	
Highway	X	Sidewalk Forms - Tools - Ext...	Fair	

Village of Salem
Village Property Inventory (Vehicles, Machinery, Tools, Office Equip., Furniture)

Number	*Year*	*Item Description*	*Approximate Value*
1	2005	Ford F450 Super Duty – Dump – about 54,400 miles – Fair condition	10,000.00
1	2012	New Holland – B95B – Backhoe loader – about 430 hours – Good condition	60,000.00
1	2013	Kubota – B2320 – Compact loader – about 100 hours – Good condition	18,500.00
1	2004	Ford – Crown Vic – 4 Door Car – about 121,000 miles – Fair condition	500.00
1	1991	International – Dump – about 57,000 miles – Poor condition	3,500.00
		VILLAGE COURT	
1		six-drawer, locking office desk (bought used)	350.00
1	1976	two-door, tall locking cabinet	132.00
1		two-door, tall locking cabinet (bought used)	298.00
1		small folding table	
2		computers*	
2		monitors*	
2		recorders*	
2		all-in-one (printer/copier/scanner/fax)*	
2		desk chairs	
1		four-drawer letter-size filing cabinet	
1		NYS Flag and stand*	
1		American Flag and stand*	
2	2014	staplers	32.00
2		wired phones	
1		receipt machine*	
1		fireproof safe*	
		misc. office supplies	
*		supplied by the Office of Court Administration	
		COMMUNITY ROOM/COURTROOM	
12	1977	folding tables	831.00
75	1977/2014	folding chairs (replacement cost)	1,500.00
1	1977	stove w/ 2 ovens	655.85
1	2014	microwave oven	79.99
1	1977	refrigerator (replacement cost)	600.00
1		upright piano (donation)	
1		small formica drop-leaf table	
		misc. kitchenware	
		PROUDFIT BUILDING	
4		wooden picnic tables (made by D. Culver)	
10		benches (including 4 at the gazebo)	
2		Adirondack chairs (donated)	

1		flag pole		
1		sign pole/Village sign	/736.19	
1		generator (grant through Town) installed		45,000.00
1		dehumidifier		200.00
1	2013	Aerus-Lux (Electrolux) upright vacuum		749.98
2	1988	Peerless Cast Iron Boilers and oil tanks installed		5,947.00
1	1995	York 5-ton AC unit		6,795.00
		ARCHIVE/MEETING ROOM		
2		two-door cabinets, tall locking and short		
1		legal-size, four-drawer filing cabinet (used)		50.00
1		legal-size, three-drawer, fireproof filing cabinet		
1		letter-size, four-drawer filing cabinet		
2		letter-size, two-drawer filing cabinet		
1		legal-size, one-drawer filing cabinet		
2		four-shelf metal shelving units		640.00
1		Historian's computer		265.00
1		Historian's monitor		
1		Historian's printer		
1		Historian's scanner		
1		slide projector		
1		light box		
		BASEMENT ARCHIVES		
13		three-tier metal shelving for archive boxes		
		LIBRARY		
1		custom circulation/director's desk		2,600.00
3		one-unit computer desks (built by D. Culver)		
1		tall one-unit computer desk (built by D. Culver)		
1		two-unit computer desk (built by D. Culver)		
1		four-unit computer desk (built by D. Culver)		
1	1977	wing-back chair and small drop-leaf table (Friends donation)		375.00
1	1991	paperback/video carousel		383.23
1	1991	video carousel		238.70
2		single DVD carousels		
1	2014	double DVD carousel		1,239.55
1	1991	double paperback carousel		383.23
1		double paperback carousel		
2		oak book carts (built by D. Culver)		
2		metal book carts		150.00
1		AV cart w/ DVD player, blue-ray player		
1	2013	multi-media projector		399.99
2		movie screens		
1	1995	RCA VCR		184.99
1	1995	RCA TV		264.99
1	1984	microfilm projector (Friends and Burton Trust)		1,128.00
1	2013	box fan for books in storage		20.99
2		desk chairs		

1		high padded stool	
2		wood stools	
2		staff computers/monitors	1,100.00
8		public computers/monitors	4,400.00
1	2010	laptop computer	449.99
1	2011	printer	402.98
2		bar-code scanners	250.00
7		computer chairs	
1		two-drawer filing cabinet	
8		cane seat oak chairs	
2		three-drawer library tables	
2		rolling children's shelf units	
1		children's oak table (donation)	
6		child-sized chairs (donation)	
4		small, rolling oak bookcases (built by D. Culver)	
3		misc. painted bookcases	
1		small maple splay-leg table (antique)	
2	1975	library step stools	90.00
1		two-sided magazine rack	
1		oak umbrella stand (antique)	
1		coat rack	
1		glass display case	
1		carved (mahogany?) glass-topped table (J. Orton plate)(donated)	
1	1976	long stenciled deacon's bench (donated by Jane Hanks)	
1		globe on stand	
3		pine shelving units (built by D. Culver)	
6		painted shelving units	
		children's shelving	
	1977	adult/YA shelving	2,433.86
1		book-drop box	
1		grandfather clock (antique)	
1		wall clock (antique)	
		book and DVD collection ~19,000 items	
63	1977	metal shelving units	18,899.37
1	1976	three-drawer dresser (purchased by Friends)	$150.00
5		folding tables: square card and 1 large and 3 small plastic rectangular	
1		square, shaped-top, one-shelf, rolling side table	
1		drawer-less oak table (currently in Clerk's office)	
1	1975	wood easel	15.00
		CLERK'S OFFICE AND MEETING ROOM	
1		one-drawer oak table	
1		two-sided/drawer oak table	
8		oak arm chairs	
1		American Flag/stand	
1		heavy rolling swivel chair	
1		small, rolling wood table (Historian's)	
1	1977	clerk's two-door metal cabinet	161.70
1		old fireproof safe	

1	1976	small side-by-side file drawers/cabinet unit	132.00
1		four-drawer lateral file cabinet	
1		3-drawer lateral file cabinet	
1	1977	desk with "L"	250.00
1		computer with monitor, keyboard, mouse	964.00
1		Brother DCP7020 printer/copier/scanner	
1		two-line phone and answering machine	
1	1985	Smith-Corona electronic typewriter	249.95
		misc. office supplies	
1		calculator with tape	
1		UPS battery back-up	
1		Village seal	
1		antique roll-top desk (donated to Village Police Dept.)	

June 4th 2014
Village of Salem
DPW Equipment Inventory

Detailed Equipment Inventory - All Vehicles Village owned.
(Make, Model, Year, Body Type, Mileage, Condition
(Excellent, good, fair, poor), Approx value).

1st Vehicle
Ford - F450 Super Duty - 2005 - Dump - about 54,400 miles -
Condition is Fair - $10,000 +/-

2nd Vehicle
New Holland - B95B - 2012 - Backhoe loader - about 430 hour -
Condition is Good - $60,000 +/-

3rd Vehicle
Kubota - B2320 - 2013 - Compact Loader - about 100 hour -
Condition is Good - $18,000 +/-

4th Vehicle
Ford - Crown Vic - 2004 - 4 Door Car - about 121,000 miles -
Condition is Fair - $500 +/-

5th Vehicle
International - 1991 - Dump - about 57,000 miles -
Condition Poor $3500 +/-

ADIRONDACK TRUST INSURANCE

Remittance: 31 Church Street, Saratoga Springs, NY 12866

Schedule of Equipment

Print Date: 12/18/13

Client Name and Address
Village of Salem
181 So. Main Street; PO Box 297
Salem, NY 12865

Company
NYMIR

Policy Number
MCAVSAL001

Effective Date 07/01/13
Expiration Date 07/01/14

Agency Name and Address
Adirondack Trust Insurance
31 Church Street - 4th Floor
PO Box 336
Saratoga Springs, NY 12866

#	Year	Description (Type, Mfr., Model, Capacity, etc.)	ID#/Serial No.	Deductible	Amount of Insurance	Date Off
		SCHEDULE#				
3	2005	Ford Dump w/plow F-450	96986	$500	$50,000	
4	1991	International Dump	1HTSDZ7R2MH349192	$500	$20,000	
5		New Holland Loader/Backhoe B95B	FNH0B95BNBHH03182	$250	$68,543	
6	2013	Kubota Tractor B2320HSD		$250	$22,500	
				Total:	$161,043	

APPENDIX E:
Resolutions and other documentation regarding existing Village Accounts & Trusts

Village of Salem Bank Accounts

All six accounts are in TD Bank, N.A.

Municipal Interest Checking	-1420	.08%	General Fund	$207489.47	7/31/2014
Municipal Interest Checking	-1446	.08%	Library Fund	$14523.29	7/31/2014
Municipal Interest Checking	-3808	.08%	Water Fund	$192914.59	7/31/2014
Municipal Choice Solution	-1433		Trust & Agency Fund	$309.24	7/31/2014
Premium Public Finance MM	-1304	.15%	Reserve Accounts*	$185078.45	8/31/2014
Premium Public Finance MM	-9487	.15%	Trusts/Library Savings^	$166560.42	8/31/2014

*DPW Equipment	$45222.50
Water Repairs	$5217.51
Water Equipment	$14643.91
Water Debt Svc.	$119994.53

^Poor Fund Trust	$76662.90
Library Trust	$3531.42
Library Savings	$86366.10

General Fund checking receives payments electronically from the State (CHIPS, AIM, etc.)

Trust and Agency Fund uses checks (payroll) and electronic payments (NYSERS, EFTPS, NYS Emp. Taxes)

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

RECEIVED
SEP 11 2014
LABERGE GROUP

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

VILLAGE of Salem

County of Washington

For the Fiscal Year Ended 05/31/2014

****

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

VILLAGE OF Salem

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2013 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2014:

(A) GENERAL
(FX) WATER
(K) GENERAL FIXED ASSETS
(L) LIBRARY
(TA) AGENCY
(TE) PRIVATE PURPOSE TRUST
(W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2013 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

1) Statement of Indebtedness
2) Schedule of Time Deposits and Investments
3) Bank Reconciliation
4) Local Government Questionnaire
5) Schedule of Employee and Retiree Benefits
6) Schedule of Energy Costs and Consumption
7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

(A) GENERAL

Balance Sheet

[illegible]	[illegible]	[illegible]	[illegible]
Assets			
Cash	49,509	A200	57,679
TOTAL Cash	**49,509**		**57,679**
Cash Special Reserves	45,129	A230	45,205
TOTAL Restricted Assets	**45,129**		**45,205**
TOTAL Assets and Deferred Outflows of Resources	**94,638**		**102,884**

(A) GENERAL

Balance Sheet

Accounts Payable	5,996	A600	2,852
TOTAL Accounts Payable	**5,996**		**2,852**
Accrued Liabilities	1,454	A601	2,118
TOTAL Accrued Liabilities	**1,454**		**2,118**
Overpayments & Clearing Account		A690	207
TOTAL Other Liabilities	**0**		**207**
TOTAL Liabilities	**7,450**		**5,177**
Fund Balance			
Capital Reserve	45,129	A878	45,205
TOTAL Restricted Fund Balance	**45,129**		**45,205**
Assigned Appropriated Fund Balance	15,480	A914	15,470
TOTAL Assigned Fund Balance	**15,480**		**15,470**
Unassigned Fund Balance	26,579	A917	37,033
TOTAL Unassigned Fund Balance	**26,579**		**37,033**
TOTAL Fund Balance	**87,188**		**97,708**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**94,638**		**102,884**

VILLAGE OF Salem
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

Code Description	[illegible]	[illegible]	[illegible]
Revenues			
Real Property Taxes	236,642	A1001	236,632
TOTAL Real Property Taxes	**236,642**		**236,632**
Interest & Penalties On Real Prop Taxes	2,612	A1090	2,553
TOTAL Real Property Tax Items	**2,612**		**2,553**
Non Prop Tax Dist By County	10,666	A1120	14,597
Franchises	11,615	A1170	11,443
TOTAL Non Property Tax Items	**22,282**		**26,040**
Fire Protection Services Other Govts	47,189	A2262	
Youth Recreation Services, Other Govts	1,375	A2350	1,375
TOTAL Intergovernmental Charges	**48,564**		**1,375**
Interest And Earnings	182	A2401	208
Rental of Real Property		A2410	16,784
TOTAL Use of Money And Property	**182**		**16,992**
Permits, Other	53	A2590	153
TOTAL Licenses And Permits	**53**		**153**
Fines And Forfeited Bail	2,785	A2610	5,082
TOTAL Fines And Forfeitures	**2,785**		**5,082**
Sales of Equipment	175	A2665	8,065
TOTAL Sale of Property And Compensation For Loss	**175**		**8,065**
Refunds of Prior Year's Expenditures	1,029	A2701	
Unclassified (specify)	35,720	A2770	13,650
TOTAL Miscellaneous Local Sources	**36,749**		**13,650**
St Aid, Revenue Sharing	7,732	A3001	8,486
St Aid, Mortgage Tax	4,632	A3005	2,984
St Aid, Consolidated Highway Aid	19,222	A3501	-12,505
St Aid, Youth Programs	448	A3820	448
TOTAL State Aid	**32,033**		**-687**
TOTAL Revenues	**382,076**		**309,954**
TOTAL Detail Revenues And Other Sources	**382,076**		**309,954**

(A) GENERAL

Results of Operation

Expenditures			
Legislative Board, Pers Serv	1,750	A10101	1,896
TOTAL Legislative Board	**1,750**		**1,896**
Municipal Court, Pers Serv	5,192	A11101	5,595
Municipal Court, Contr Expend	1,143	A11104	2,578
TOTAL Municipal Court	**6,335**		**8,173**
Mayor, Pers Serv	3,000	A12101	3,500
Mayor, Contr Expend	727	A12104	1,132
TOTAL Mayor	**3,727**		**4,632**
Treasurer, Pers Serv	26,198	A13251	26,593
Treasurer, Contr Expend	5,024	A13254	6,741
TOTAL Treasurer	**31,223**		**33,334**
Tax Advertising, Contr Expend	795	A13624	1,063
TOTAL Tax Advertising	**795**		**1,063**
Law, Pers Serv	3,290	A14201	360
TOTAL Law	**3,290**		**360**
Elections, Pers Serv	255	A14501	260
Elections, Contr Expend	28	A14504	134
TOTAL Elections	**283**		**394**
Public Works Admin, Pers Serv	36,952	A14901	39,278
TOTAL Public Works Admin	**36,952**		**39,278**
Buildings, Pers Serv	1,737	A16201	3,895
Buildings, Contr Expend	31,519	A16204	38,838
TOTAL Buildings	**33,256**		**42,733**
Unallocated Insurance, Contr Expend	13,485	A19104	17,674
TOTAL Unallocated Insurance	**13,485**		**17,674**
TOTAL General Government Support	**131,095**		**149,536**
Police, Pers Serv	4,971	A31201	4,840
TOTAL Police	**4,971**		**4,840**
Fire, Equip & Cap Outlay	57,010	A34102	
Fire, Contr Expend	76,744	A34104	
TOTAL Fire	**133,754**		**0**
TOTAL Public Safety	**138,725**		**4,840**
Registrar of Vital Statistics, Pers Serv	100	A40201	100
TOTAL Registrar of Vital Statistics	**100**		**100**
TOTAL Health	**100**		**100**
Maint of Streets, Pers Serv	24,807	A51101	24,404
Maint of Streets, Equip & Cap Outlay		A51102	15,000
Maint of Streets, Contr Expend	29,582	A51104	28,870
TOTAL Maint of Streets	**54,389**		**68,274**
Perm Improve Highway, Equip & Cap Outlay	20,780	A51122	1,343
TOTAL Perm Improve Highway	**20,780**		**1,343**
Street Lighting, Contr Expend	19,403	A51824	18,985
TOTAL Street Lighting	**19,403**		**18,985**
TOTAL Transportation	**94,571**		**88,602**

(A) GENERAL

Results of Operation

[redacted]			
Expenditures			
Parks, Contr Expend	105	A71104	107
TOTAL Parks	**105**		**107**
Youth Prog, Contr Expend	4,432	A73104	4,955
TOTAL Youth Prog	**4,432**		**4,955**
Historian, Pers Serv	1,000	A75101	1,020
Historian, Contr Expend	180	A75104	325
TOTAL Historian	**1,180**		**1,345**
Historical Property, Contr Expend		A75204	115
TOTAL Historical Property	**0**		**115**
Celebrations, Contr Expend	650	A75504	
TOTAL Celebrations	**650**		**0**
Programs For Aging, Contr Expend		A76104	500
TOTAL Programs For Aging	**0**		**500**
TOTAL Culture And Recreation	**6,366**		**7,022**
Comm Beautification, Contr Expend	478	A85104	250
TOTAL Comm Beautification	**478**		**250**
Shade Tree, Contr Expend	985	A85604	
TOTAL Shade Tree	**985**		**0**
Flood & Erosion Control, Contr Expend	24,148	A87454	
TOTAL Flood & Erosion Control	**24,148**		**0**
TOTAL Home And Community Services	**25,611**		**250**
State Retirement System	8,066	A90108	9,476
Social Security, Employer Cont	8,020	A90308	8,604
Worker's Compensation, Empl Bnfts	4,911	A90408	4,450
Disability Insurance, Empl Bnfts	151	A90558	175
Hospital & Medical (dental) Ins, Empl Bnft	12,047	A90608	13,119
TOTAL Employee Benefits	**33,195**		**35,824**
TOTAL Expenditures	**429,663**		**286,174**
Transfers, Other Funds	13,500	A99019	13,500
TOTAL Operating Transfers	**13,500**		**13,500**
TOTAL Other Uses	**13,500**		**13,500**
TOTAL Detail Expenditures And Other Uses	**443,163**		**299,674**

(A) GENERAL

Analysis of Changes in Fund Balance

[redacted]	[redacted]	[redacted]	[redacted]
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	**148,213**	**A8021**	**87,188**
Prior Period Adj -Increase In Fund Balance	62	A8012	204
Prior Period Adj -Decrease In Fund Balance		A8015	
Restated Fund Balance - Beg of Year	**148,275**	**A8022**	**87,392**
ADD - REVENUES AND OTHER SOURCES	382,076		309,954
DEDUCT - EXPENDITURES AND OTHER USES	443,163		299,674
Fund Balance - End of Year	**87,188**	**A8029**	**97,672**

(A) GENERAL

Budget Summary

Code Description	2013	Code	2014
Estimated Revenues			
Est Rev - Real Property Taxes	236,632	A1049N	236,568
Est Rev - Real Property Tax Items	2,500	A1099N	2,500
Est Rev - Non Property Tax Items	22,700	A1199N	23,300
Est Rev - Intergovernmental Charges	1,375	A2399N	1,375
Est Rev - Use of Money And Property	16,983	A2499N	10,775
Est Rev - Licenses And Permits	53	A2599N	53
Est Rev - Fines And Forfeitures	3,000	A2649N	4,000
Est Rev - Miscellaneous Local Sources	1,000	A2799N	1,000
Est Rev - State Aid	31,314	A3099N	49,811
TOTAL Estimated Revenues	**315,557**		**329,382**
Appropriated Fund Balance	15,480	A599N	
TOTAL Estimated Other Sources	**15,480**		**0**
TOTAL Estimated Revenues And Other Sources	**331,037**		**329,382**

(A) GENERAL

Budget Summary

Appropriations			
App - General Government Support	143,396	A1999N	140,461
App - Public Safety	5,856	A3999N	4,800
App - Health	100	A4999N	100
App - Transportation	110,734	A5999N	126,231
App - Culture And Recreation	6,720	A7999N	7,220
App - Home And Community Services	12,473	A8999N	250
App - Employee Benefits	38,258	A9199N	36,820
TOTAL Appropriations	**317,537**		**315,882**
App - Interfund Transfer	13,500	A9999N	13,500
TOTAL Other Uses	**13,500**		**13,500**
TOTAL Appropriations And Other Uses	**331,037**		**329,382**

(FX) WATER

Balance Sheet

Code Descriptions	[illegible]	[illegible]	[illegible]
Assets			
Cash	61,613	FX200	55,106
TOTAL Cash	**61,613**		**55,106**
Accounts Receivable	9,145	FX380	
TOTAL Other Receivables (net)	**9,145**		**0**
Cash Special Reserves	131,169	FX230	139,806
TOTAL Restricted Assets	**131,169**		**139,806**
TOTAL Assets and Deferred Outflows of Resources	**201,927**		**194,912**

(FX) WATER

Balance Sheet

Accounts Payable	629	FX600	8,823
TOTAL Accounts Payable	**629**		**8,823**
Accrued Liabilities	602	FX601	614
TOTAL Accrued Liabilities	**602**		**614**
TOTAL Liabilities	**1,231**		**9,437**
Fund Balance			
Capital Reserves	14,615	FX878	14,639
Reserve For Repairs	5,207	FX882	5,216
Fund Balance-Reserved For Bonded Debt	111,347	FX884	119,952
TOTAL Restricted Fund Balance	**131,169**		**139,806**
Assigned Unappropriated Fund Balance	69,527	FX915	45,669
TOTAL Assigned Fund Balance	**69,527**		**45,669**
TOTAL Fund Balance	**200,696**		**185,475**
TOTAL Liabilities, Deferred Inflows and Fund Balance	**201,927**		**194,912**

(FX) WATER

Results of Operation

Code Description	2013	Prior Year	2012
Revenues			
Special Assessments	92,798	FX1030	92,442
TOTAL Real Property Taxes	**92,798**		**92,442**
Metered Water Sales	80,289	FX2140	68,358
Interest & Penalties On Water Rents	644	FX2148	692
TOTAL Departmental Income	**80,933**		**69,050**
Interest And Earnings	730	FX2401	314
TOTAL Use of Money And Property	**730**		**314**
TOTAL Revenues	**174,460**		**161,806**
TOTAL Detail Revenues And Other Sources	**174,460**		**161,806**

(FX) WATER

Results of Operation

Expenditures			
Water Administration, Contr Expend	3,976	FX83104	4,882
TOTAL Water Administration	**3,976**		**4,882**
Source Supply Pwr & Pump, Contr Expend	7,942	FX83204	21,076
TOTAL Source Supply Pwr & Pump	**7,942**		**21,076**
Water Purification, Pers Serv	29,162	FX83301	30,103
Water Purification, Contr Expend	4,517	FX83304	5,207
TOTAL Water Purification	**33,680**		**35,310**
Water Trans & Distrib, Contr Expend	4,962	FX83404	4,896
TOTAL Water Trans & Distrib	**4,962**		**4,896**
Other Water, Contr Expend	10,272	FX83894	4,240
TOTAL Other Water	**10,272**		**4,240**
Water Capital Projects, Equip & Cap Outlay	50,543	FX83972	
TOTAL Water Capital Projects	**50,543**		**0**
TOTAL Home And Community Services	**111,375**		**70,404**
Social Security, Empl Bnfts	2,206	FX90308	2,274
Hospital & Medical (dental) Ins, Empl Bnft	2,000	FX90608	2,000
TOTAL Employee Benefits	**4,206**		**4,274**
Debt Principal, Serial Bonds	82,000	FX97106	83,000
TOTAL Debt Principal	**82,000**		**83,000**
TOTAL Expenditures	**197,581**		**157,678**
TOTAL Detail Expenditures And Other Uses	**197,581**		**157,678**

(FX) WATER

Analysis of Changes in Fund Balance

Code	Description	Current Year	Code	Prior Year
	Analysis of Changes in Fund Balance			
	Fund Balance - Beginning of Year	**223,463**	**FX8021**	**200,696**
	Prior Period Adj -Increase In Fund Balance	354	FX8012	
	Prior Period Adj -Decrease In Fund Balance		FX8015	19,348
	Restated Fund Balance - Beg of Year	**223,817**	**FX8022**	**181,348**
	ADD - REVENUES AND OTHER SOURCES	174,460		161,806
	DEDUCT - EXPENDITURES AND OTHER USES	197,581		157,678
	Fund Balance - End of Year	**200,696**	**FX8029**	**185,477**

(FX) WATER

Budget Summary

Estimated Revenues			
Est Rev - Real Property Taxes	91,509	FX1049N	91,598
Est Rev - Real Property Tax Items	1,100	FX1099N	1,100
Est Rev - Departmental Income	80,789	FX1299N	81,284
Est Rev - Use of Money And Property	200	FX2499N	200
TOTAL Estimated Revenues	**173,598**		**174,182**
TOTAL Estimated Revenues And Other Sources	**173,598**		**174,182**

(FX) WATER

Budget Summary

Code Description	[illegible]	[illegible]	[illegible]
Appropriations			
App-Home And Community Services	73,289	FX8999N	73,784
App - Employee Benefits	8,800	FX9199N	8,800
App - Debt Service	91,509	FX9899N	91,598
TOTAL Appropriations	**173,598**		**174,182**
TOTAL Appropriations And Other Uses	**173,598**		**174,182**

(K) GENERAL FIXED ASSETS

Balance Sheet

Assets			
Land	43,784	K101	43,784
Buildings	1,198,278	K102	2,011,187
Machinery And Equipment	400,000	K104	146,043
TOTAL Fixed Assets (net)	**1,642,062**		**2,201,014**
TOTAL Assets and Deferred Outflows of Resources	**1,642,062**		**2,201,014**

(K) GENERAL FIXED ASSETS

Balance Sheet

[illegible]	[illegible]	[illegible]	[illegible]
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	1,642,062	K159	2,201,014
TOTAL Investments in Non-Current Government Assets	1,642,062		2,201,014
TOTAL Fund Balance	1,642,062		2,201,014
TOTAL	1,642,062		2,201,014

(L) LIBRARY

Balance Sheet

[redacted]			
Assets			
Cash	5,437	L200	8,500
Cash In Time Deposits	66,192	L201	86,301
Petty Cash	10	L210	10
TOTAL Cash	**71,638**		**94,811**
TOTAL Assets and Deferred Outflows of Resources	**71,638**		**94,811**

(L) LIBRARY

Balance Sheet

Code Accounts			
Accounts Payable	341	L600	803
TOTAL Accounts Payable	**341**		**803**
Accrued Liabilities	929	L601	583
TOTAL Accrued Liabilities	**929**		**583**
TOTAL Liabilities	**1,270**		**1,386**
Fund Balance			
Assigned Unappropriated Fund Balance	[illegible]	L915	[illegible]
TOTAL Assigned Fund Balance	[illegible]		[illegible]
TOTAL Fund Balance	[illegible]		[illegible]
TOTAL Liabilities, Deferred Inflows And Fund Balance	[illegible]		[illegible]

(L) LIBRARY

Results of Operation

[redacted]			
Revenues			
Library Charges	2,196	L2082	1,974
TOTAL Departmental Income	**2,196**		**1,974**
Library Services, Other Govts	31,500	L2360	31,890
TOTAL Intergovernmental Charges	**31,500**		**31,890**
Interest And Earnings	272	L2401	123
TOTAL Use of Money And Property	**272**		**123**
Refunds of Prior Year's Expenditures		L2701	68
Gifts And Donations	5,877	L2705	26,701
Unclassified (specify)	200	L2770	98
TOTAL Miscellaneous Local Sources	**6,077**		**26,866**
Interfund Revenues		L2801	
TOTAL Interfund Revenues	**0**		**0**
St Aid For Libraries	1,199	L3840	1,258
TOTAL State Aid	**1,199**		**1,258**
TOTAL Revenues	**41,244**		**62,113**
Interfund Transfers	13,500	L5031	13,500
TOTAL Interfund Transfers	**13,500**		**13,500**
TOTAL Other Sources	**13,500**		**13,500**
TOTAL Detail Revenues And Other Sources	**54,744**		**75,613**

(L) LIBRARY

Results of Operation

[illegible]	[illegible]	[illegible]	[illegible]
Expenditures			
Library, Pers Serv	31,137	L74101	30,724
Library, Equip & Cap Outlay	11,311	L74102	9,651
Library, Contr Expend	10,828	L74104	9,819
TOTAL Library	**53,276**		**50,194**
TOTAL Culture And Recreation	**53,276**		**50,194**
Social Security, Empl Bnfts	2,349	L90308	2,363
TOTAL Employee Benefits	**2,349**		**2,363**
TOTAL Expenditures	**55,625**		**52,557**
TOTAL Detail Expenditures And Other Uses	**55,625**		**52,557**

(L) LIBRARY

Analysis of Changes in Fund Balance

Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	**71,250**	**L8021**	**70,369**
Restated Fund Balance - Beg of Year	**71,250**	**L8022**	**70,369**
ADD - REVENUES AND OTHER SOURCES	54,744		75,613
DEDUCT - EXPENDITURES AND OTHER USES	55,625		52,557
Fund Balance - End of Year	**70,369**	**L8029**	**93,425**

(TA) AGENCY

Balance Sheet

Assets			
Cash	0	TA200	
TOTAL Cash	**0**		**0**
TOTAL Assets and Deferred Outflows of Resources	**0**		**0**

(TA) AGENCY

Balance Sheet

Code Description			
Social Security Tax	0	TA26	
TOTAL Agency Liabilities	0		0
TOTAL Liabilities	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Assets			
Cash In Time Deposits	84,027	TE201	80,164
TOTAL Cash	**84,027**		**80,164**
TOTAL Assets and Deferred Outflows of Resources	**84,027**		**80,164**

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description			
Fund Balance			
Net Assets-Restricted For Other Purposes	84,027	TE923	80,164
TOTAL Assigned Fund Balance	84,027		80,164
TOTAL Fund Balance	84,027		80,164
TOTAL Liabilities, Deferred Inflows and Fund Balance	84,027		80,164

(TE) PRIVATE PURPOSE TRUST

Results of Operation

[redacted]			
Revenues			
Interest And Earnings	168	TE2401	141
TOTAL Use of Money And Property	**168**		**141**
Other Revenue	2,378	TE2770	
TOTAL Miscellaneous Local Sources	**2,378**		**0**
TOTAL Revenues	**2,546**		**141**
TOTAL Detail Revenues And Other Sources	**2,546**		**141**

(TE) PRIVATE PURPOSE TRUST

Results of Operation

Code Description			
Expenditures			
Other Culture And Rec, Cont Expend		TE79894	
TOTAL Other Culture And Rec	0		0
TOTAL Culture And Recreation	0		0
Misc Home & Comm Serv, Cont Expend	2,479	TE89894	4,004
TOTAL Misc Home & Comm Serv	2,479		4,004
TOTAL Home And Community Services	2,479		4,004
TOTAL Expenditures	2,479		4,004
TOTAL Detail Expenditures And Other Uses	2,479		4,004

(TE) PRIVATE PURPOSE TRUST

Analysis of Changes in Net Position

Analysis of Changes in Net Position			
Fund Balance - Beginning of Year	**83,960**	**TE8021**	**84,027**
Restated Fund Balance - Beg of Year	**83,960**	**TE8022**	**84,027**
ADD - REVENUES AND OTHER SOURCES	2,546		141
DEDUCT - EXPENDITURES AND OTHER USES	2,479		4,004
Fund Balance - End of Year	**84,027**	**TE8029**	**80,164**

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description			
Assets			
Total Non-Current Govt Liabilities	2,220,000	W129	2,137,000
TOTAL Provision To Be Made In Future Budgets	**2,220,000**		**2,137,000**
TOTAL Assets and Deferred Outflows of Resources	**2,220,000**		**2,137,000**

(W) GENERAL LONG-TERM DEBT

Balance Sheet

[redacted]	[redacted]	[redacted]	[redacted]
Liabilities, Deferred Inflows And Fund Balance			
Bonds Payable	2,220,000	W628	2,137,000
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

VILLAGE OF Salem
Statement of Indebtedness
For the Fiscal Year Ending 2014

County of: Washington

Municipal Code: 530473804370

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2006	BOND E	EFC-WATER			04/13/2006	11/03/2035	0.00%		$2,767,000	$2,220,000	$83,000	$0	$0		$2,137,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									$0	$2,220,000	$83,000	$0	$0	$0	$2,137,000
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									$0	$2,220,000	$83,000	$0	$0	$0	$2,137,000

VILLAGE OF Salem
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2014

	EDP Code	Amount
CASH:		
On Hand	9Z2001	$10.00
Demand Deposits	9Z2011	
Time Deposits	9Z2021	
Total		$10.00
COLLATERAL:		
- FDIC Insurance	9Z2014	$100,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	$400,000.00
Total		$500,000.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF Salem
Bank Reconciliation
For the Fiscal Year Ending 2014

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-1420	$73,553	$3	$15,877	$57,679
*****-1446	$8,970	$0	$470	$8,500
*****-1433	$894	$0	$894	$0
*****-3808	$61,424	$12,086	$9,983	$63,526
*****-1304	$176,591	$0	$0	$176,591
*****-9487	$166,497	$0	$0	$166,497

Total Adjusted Bank Balance			$472,794
Petty Cash			$.00
Adjustments			$.00
Total Cash	9ZCASH	*	$472,794
Total Cash Balance All Funds	9ZCASHB	*	$472,771

* Must be equal

VILLAGE OF Salem
Local Government Questionnaire
For the Fiscal Year Ending 2014

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	No
If not, are you planning on having an audit conducted?	No
3) Does your local government participate in an insurance pool with other local governments?	Yes
4) Does your local government participate in an investment pool with other local governments?	No
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	No
6) Does your municipality have a Capital Plan?	No
7) Has your municipality prepared and documented a risk assessment plan?	No
If yes, has your municipality used the results to design the system of internal controls?	
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

VILLAGE OF Salem
Employee and Retiree Benefits
For the Fiscal Year Ending 2014

	Total Full Time Employees:	3			
	Total Part Time Employees:	16			
Account Code	**Description**	**Total Expenditures (All Funds)**	**# of Full Time Employees**	**# of Part Time Employees**	**# of Retirees**
90108	State Retirement System	$9,476.00	1	1	1
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security		3	16	
90408	Worker's Compensation Insurance	$4,450.00			
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	$174.72			
90608	Hospital and Medical (Dental) Insurance	$13,118.84	2		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits	$2,000.00	1		
	Total	**$29,219.56**			
Computed Total From Financial Section (comparative purposes only)		**$42,460.75**			

VILLAGE OF Salem
Energy Costs and Consumption
For the Fiscal Year Ending 2014

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	$462	150	gallons	
Diesel Fuel	$5,424	1,571	gallons	
Fuel Oil	$26,608	8,777	gallons	
Natural Gas			cubic feet	
Electricity	$28,440	173,308	kilowatt-hours	
Coal			tons	

VILLAGE OF Salem
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2014

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Rebecca L. Brown, hereby certify that I am the Chief Fiscal Officer of the Village of Salem, and that the information provided in the annual financial report of the Village of Salem, for the fiscal year ended 05/31/2014, is TRUE and correct to the best of my knowledge and belief.

By entering the personal indentification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Village of Salem, and adopted by me as my signature for use in conjunction with the filing of the Village of Salem's annual financial report, I am evidencing my express intent to authenticate my certification of the Village of Salem's annual financial report for the fiscal year ended 05/31/2014 and filed by means of electronic data transmission.

	Rebecca L. Brown
Name of Report Preparer if different than Chief Fiscal Officer	Name
(518) 854-3433	Clerk-Treasurer
Telephone Number	Title
	P.O. Box 292, Salem, NY 12865
	Official Address
09/10/2014	(518) 854-3433
Date of Certification	Official Telephone Number

(A) GENERAL

Adjustment Reason

Account Code A8012 Trust distribution carryover.

(FX) WATER

Adjustment Reason

Account Code FX8015 incorrectly journalized reserves

I, Rebecca L. Brown hereby certify that I am the Chief Fiscal Officer of the Village of Salem, and that the information provided in the annual financial report of the Village of Salem, for the fiscal year ended 05/31/2014, is true and correct to the best of my knowledge and belief. By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Village of Salem, and adopted by me as my signature for use in conjunction with the filing of the Village of Salem's annual financial report, I am evidencing my express intent to authenticate my certification of the Village of Salem's annual financial report for the fiscal year ended 05/31/2014 and filed by means of electronic data transmission.

	********	Rebecca L. Brown
Name of Report Preparer if different than Chief Fiscal Officer	Personal Identification Number of Chief Fiscal Officer	Name
(518) 854-3433	Clerk-Treasurer	P.O. Box 292, Salem, NY 12865
Telephone Number	Title	Official Address
	(518) 854-3433	9/10/2014
	Office Telephone Number	Date

RESOLUTION NO. 7 OF 2010

RESOLUTION ESTABLISHING A CAPITAL RESERVE FUND TO FINANCE DPW EQUIPMENT

RESOLVED that pursuant to Section 6-c of the General Municipal Law, as amended, there is hereby established a capital reserve fund to be known as the "DPW Equipment Reserve Fund" (hereinafter DPW Equipment Reserve). The purpose of this DPW Equipment Reserve is to accumulate budgeted appropriations or appropriable surplus to pay the cost of acquiring DPW equipment needed to run the department.

The chief fiscal officer (CFO) is hereby directed to deposit and secure the moneys of this DPW Equipment Reserve in the manner provided by Section 10 of the General Municipal Law. The CFO may invest the moneys in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the Village of Salem. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the DPW Equipment Reserve. The CFO shall account for the DPW Equipment Reserve in a manner which maintains the separate identity of the cash and investments of the DPW Equipment Reserve.

Except as otherwise provided by Section 6-c of the General Municipal Law, expenditures from this DPW Equipment Reserve shall be made only for the purpose for which the DPW Equipment Reserve was established. No expenditure shall be made from this DPW Equipment Reserve without the approval of the Board of Trustees of the Village of Salem or without such additional actions or proceedings as may be required by Section 6-c of the General Municipal Law, including a permissive referendum if required by Subdivision 4 of Section 6-c.

RESOLUTION NO. 9 OF 2010

RESOLUTION ESTABLISHING A RESERVE FUND FOR PAYMENT OF BONDED INDEBTEDNESS

RESOLVED that pursuant to Section 6-h of the General Municipal Law, as amended, there is hereby established a reserve fund to be known as the "Water Debt Reserve Fund" (hereinafter Debt Reserve). The purpose of this Debt Reserve is to accumulate excess capital charges and interest toward the anticipated escalation of yearly debt service payments as outlined in the Water Project (debt service) Payment Schedule.

The chief fiscal officer (CFO) is hereby directed to deposit and secure the moneys of this Debt Reserve in the manner provided by Section 10 of the General Municipal Law. The CFO may invest the moneys in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the Village of Salem. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the Debt Reserve. The CFO shall account for the Debt Reserve in a manner which maintains the separate identity of the cash and investments of the Debt Reserve.

Except as otherwise provided by Section 6-c of the General Municipal Law, expenditures from this Debt Reserve shall be made only for the purpose for which the Debt Reserve was established. No expenditure shall be made from this Debt Reserve without the approval of the Board of Trustees of the Village of Salem or without such additional actions or proceedings as may be required by Section 6-c of the General Municipal Law.

RESOLUTION NO. 8 OF 2010

RESOLUTION ESTABLISHING A REPAIR RESERVE WITHIN THE WATER FUND

RESOLVED that pursuant to Section 6-d of the General Municipal Law, as amended, there is hereby established a reserve fund to be known as the "Water Repair Reserve Fund" (hereinafter Repair Reserve). The purpose of this Repair Reserve is to accumulate budget appropriations or appropriable surplus plus interest to pay the cost of repairs of the water system not recurring annually or at shorter intervals.

The chief fiscal officer (CFO) is hereby directed to deposit and secure the moneys of this Repair Reserve in the manner provided by Section 10 of the General Municipal Law. The CFO may invest the moneys in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the Village of Salem. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the Repair Reserve. The CFO shall account for the Repair Reserve in a manner which maintains the separate identity of the cash and investments of the Repair Reserve.

Except as otherwise provided by Section 6-c of the General Municipal Law, expenditures from this Repair Reserve shall be made only for the purpose for which the Repair Reserve was established. No expenditure shall be made from this Repair Reserve without the approval of the Board of Trustees of the Village of Salem or without such additional actions or proceedings as may be required by Section 6-c of the General Municipal Law.

RESOLUTION NO. 10 OF 2010

RESOLUTION ESTABLISHING A CAPITAL RESERVE FUND TO FINANCE WATER EQUIPMENT

RESOLVED that pursuant to Section 6-c of the General Municipal Law, as amended, there is hereby established a capital reserve fund to be known as the "Water Equipment Reserve Fund" (hereinafter Water Equipment Reserve). The purpose of this Water Equipment Reserve is to accumulate budgeted appropriations or appropriable surplus to pay the cost of acquiring equipment needed to run the water system.

The chief fiscal officer (CFO) is hereby directed to deposit and secure the moneys of this Water Equipment Reserve in the manner provided by Section 10 of the General Municipal Law. The CFO may invest the moneys in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the Village of Salem. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the Water Equipment Reserve. The CFO shall account for the Water Equipment Reserve in a manner which maintains the separate identity of the cash and investments of the Water Equipment Reserve.

Except as otherwise provided by Section 6-c of the General Municipal Law, expenditures from this Water Equipment Reserve shall be made only for the purpose for which the Water Equipment Reserve was established. No expenditure shall be made from this Water Equipment Reserve without the approval of the Board of Trustees of the Village of Salem or without such additional actions or proceedings as may be required by Section 6-c of the General Municipal Law, including a permissive referendum if required by Subdivision 4 of Section 6-c.

DONALD P. MCPHEE
ATTORNEY AT LAW
190 MAIN STREET · SALEM, NY 12865
(518) 854-7250 · FAX (518) 854-9641

July 31, 2000

New York State Comptroller
Division of Municipal Affairs

Re: Proudfit Trust Beneficiary Definition/Designation

Dear Sir or Madam:

Please allow this letter to serve as a legal opinion letter/memorandum to assist your office and the Village of Salem in ascertaining acceptable beneficiaries for funds donated to the "sick poor" from the Proudfit Trust established in 1900.

Many of us cannot appreciate the forms of disease and sickness which were prevalent throughout New York State in the early 20th century. Small pox, measles, influenza, chicken pox, and polio claimed the lives of countless state residents. Funding for such individuals from this particular trust would have been approved without question.

From a financial standpoint, the Depression of the late 1920's took a toll on many homes throughout the country, banks suffered and the economy/stock market collapsed. The advent of Social Security, social programs and many other government benefits has relieved the burden on some families, yet we still encounter families which have a difficult time making ends meet.

Today, we have made great strides in medical diagnosis, treatment, procedures and prevention. We are immunized to preclude devastating diseases from attacking our bodies as they once did to our parents, grandparents, or great grandparents. But have all medical problems of the "sick" been solved? That will never happen because new problems and diseases are discovered every day.

This office submits that the Proudfit Trust was established to assist any "sick" or "poor" resident of the Village during the decades of medical and financial hardship. Those instances of hardship and sickness have not been overcome; they have merely been transformed into new types of problems confronting Village residents such as:

- Handicapped individuals' difficulty in accessing areas of the Village in wheelchairs/walkers;
- The Village Health Center's need to finance new equipment to care for Village Residents;

- Transportation to/from homes of elderly Village residents for shopping, health care and visiting friends/relatives;
- Youth organizations/activity programs for Salem families unable to send children to similar camps due to cost considerations;
- Village programs aimed at assisting less fortunate residents with house upkeep (both interior and exterior);
- Food pantry/meals program to supplement elderly individuals or families who cannot obtain sufficient nourishment elsewhere;

It is this office's opinion that the terms "sick poor" were intended to encompass those individuals deemed by the Village Trustees to require assistance. As years have passed, as Village Trustees have changed, so too does the meaning of "sick poor". The Proudfit Trust empowers the Village Trustees (and no other governing body) to utilize the fund for "sick" and "poor" individuals' benefit. It is logical to assume that this does not only involve direct funding/donations, but also any funding that will result in a benefit to those "sick" and "poor" Salem residents (such as donations to Health Centers, programs, etc. that will result in assistance to such individuals/families).

In summary, although we no longer face many of the problems encountered by Village residents at the time that the Proudfit trust was created, there are new problems facing many Village residents for which the trust should be utilized as originally intended by the Proudfits.

Should you have any questions regarding this matter please do not hesitate to contact the undersigned.

Very truly yours,

Donald P. McPhee

(4

Copy of Paragraph 13, sub-division N. of the Will of Susan W. Proudfit, deceased. [SEE WILL W/P 2L)]

N. "I give and bequeath to the Trustees of the Village of Salem in the County of Washington and State of New York the sum of Ten Thousand dollars, ($10,000.) to be by them invested and the income thereof to be used for such of the sick poor of said village as may be designated by said Trustees."

Copy of Paragraph 4, sub-division 11 of the Will of Alexander M. Proudfit, deceased. (COPY OF WILL NOT FOUND)

"I give and bequeath to the Trustees of the Village of Salem, in the County of Washington and State of New York, the sum of Seven thousand dollars, ($7,000) to be by them invested and the income thereof to be used for such of the sick poor of said village as may be from time to time deemed advisable by said Trustees.

SOURCE: PRIOR W/P'S (1954)

PROUDFIT POOR FUND

VILLAGE OF SALEM

FYE 6/1/93 - 5/31/94

PMB 1/11/95

EXCERPTED FROM WILL OF SUSAN PROUDFIT

(SEPTEMBER 25, 1890)

'sire that the same be invested and the
e income only be used for the purposes of
rid Home.

) I give and bequeath to the Trustees of the
illage of Salem in the County of Washingto
nd State of New York the sum of Ten thous
nd dollars ($10.000) to be by them invested an
e income thereof to be used for such of th
ck poor of said Village as may be designa
said Trustees.

) I give and bequeath to the American Bi
ociety of the City of New York the sum of O
ousand dollars ($1000) to be added to the pe
rmanent invested funds of said Society.

I give and bequeath to the Children's A
ociety of the City of New York the sum of
ne thousand dollars ($1000) to be added to
e permanent invested funds of said Societ

) I give and bequeath to the Church Mis
nary Society for Seamen in the City and
rt of New York at foot of Pike Street the
um of Five hundred dollars ($500).

) I give and bequeath to the Babies Hos
ital in the City of New York the sum of
ne thousand dollars ($1000) to be added to
e permanent invested funds of said Hospit

I give and bequeath to the Saint Luke
ome for Indigent Christian Females in the
ity of New York the sum of Two thousand
llars ($2000) to be added to the permanen
invested funds of said Institution and th

APPENDIX F:
Guidance Documents and Procedures for Creating Special Districts

THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

ANDREW A. SANFILIPPO
EXECUTIVE DEPUTY COMPTROLLER
OFFICE OF STATE AND LOCAL GOVERNMENT ACCOUNTABILITY
Tel: (518) 474-4593 Fax: (518) 402-4892

December 2013

Dear Local Government Official:

Please find attached a listing of the average estimated cost thresholds for your use in determining whether approval of the State Comptroller is necessary for certain special district actions in the year 2014.

Certain "low cost" special districts, i.e., those which are at or below average estimated cost thresholds contained in the enclosure, do NOT require approval of the State Comptroller. However, if debt is being issued, a certified copy of the notice of hearing for the "low cost" district must be sent to our office. This copy must be sent, on or about the date of publication, to the Office of the State Comptroller, Division of Legal Services, 110 State Street, 14th Floor, Albany, New York 12236. It should be sent no later than 14 calendar days after publication. This notice enables us to accurately calculate future average estimated cost thresholds.

In addition, certified copies of resolutions or orders which, among other things, finally establish or extend a district, and in the case of counties, authorize an increase and improvement of facilities, are required to be filed with this Office regardless of whether the Comptroller's approval is required. Resolutions or orders that are subject to permissive referendum should not be filed until the period for filing a petition has passed, or if a petition is filed, a referendum has been held.

We would be happy to provide advisory services and assist you in identifying and resolving issues in connection with special district actions, even if the proceedings are not subject to our approval. You can obtain additional information and guidelines on submitting applications by contacting our office. The information in this letter, as well as the Comptroller's regulations relating to applications for permission of the Comptroller to establish or extend special districts (Part 85), can also be found on our website:

http://www.osc.state.ny.us/localgov/datanstat/files/part85regs.pdf

If you have questions or need more information, please contact Ellen McDonald in our Division of Legal Services at (518) 474-3517 or Scott Waldorf in our Division of Local Government and School Accountability at (518) 486-3145.

Sincerely,

Andrew A. SanFilippo
Executive Deputy Comptroller
Office of State and Local Government Accountability

Enc.

AVERAGE ESTIMATED COSTS FOR COUNTY AND TOWN SPECIAL IMPROVEMENT DISTRICTS

(EFFECTIVE FOR PROCEEDINGS FOR WHICH A NOTICE OF HEARING IS PUBLISHED FROM JANUARY 1, 2014 THROUGH DECEMBER 31, 2014)

The Comptroller's approval is required if debt is proposed to be issued by a town or county, and the "cost of the district or extension" to the "typical property" or, if different, the "typical one or two family home" as stated in the notice of hearing, is above the average estimated cost thresholds listed below.[1]

"Costs" include amounts required to be paid for debt service, operation and maintenance and other charges, including user fees, related to the improvement in the first year following formation of the district or extension, or the increase and improvement of facilities in counties (or, if greater, the first year in which both principal and interest and operation and maintenance will be paid). To ensure accurate calculations of estimated costs, towns and counties should not assume the receipt of federal or state aid in the absence of firm commitments from the appropriate agency. In addition, estimated borrowing costs should be based on the proposed maturity of the obligations and interest rate assumptions derived from market surveys or a letter of commitment. Charges imposed by other governmental entities, such as public authorities or other municipalities, should also be included in the computation. Costs, for this purpose, do not include hook-up fees.

A summary of the notice of hearing requirements for the establishment and extension of town special districts appears in Appendix A. Frequently asked questions (FAQs) on the establishment or extension of town special districts concerning required determinations and methods of assessment appear in Appendix B.

TOWN DISTRICTS

The following average estimated costs apply to town special district establishments, extensions, or increases in the maximum amount to be expended.[2]

Sewer	$ 721
Water	$ 805

[1] For those proceedings that are subject to a permissive referendum requirement, the Comptroller's Office will accept the filing of an application prior to the expiration of the time for filing a petition requesting a referendum, or if a petition is filed, the vote on the proposition. However, no approval order will be granted until after the completion of all such requirements.

[2] The Comptroller's approval, if required in the case of an increase in the maximum amount to be expended, may be given only after a public hearing and, in the case of Article 12-A districts, permissive referendum requirements are met.

COUNTY DISTRICTS

The following average estimated cost applies to county special district establishments, extensions or increases in the maximum amount to be expended.

Sewer	$ 442
Water	$ 3

The following average estimated cost applies to county special district increases and improvements of facilities. Please note that this figure represents only the increased cost to the typical property as a result of the increase and improvement.

Sewer	$ 7
Water	$ 5

OTHER DISTRICTS

For all other types of districts, there was insufficient data to calculate meaningful average estimated costs. Therefore, any type of district not listed above will be subject to applicable requirements for obtaining the Comptroller's approval, irrespective of the cost to the typical property or home, if debt is proposed to be issued to finance the improvement.

Note that proceedings under Town Law § 202-b to, among other things, repair, improve, or replace facilities within an existing town district do not require the Comptroller's consent, except in certain cases within the Adirondack Park (see Town Law § 202-b[5] and Local Finance Law § 104.10[3]).

APPENDIX A

Notice of Hearing Requirements for Establishment or Extension of Town Special Districts

Articles 12 (§ 190 *et seq.*) and 12-A (§ 209 *et seq.*) of the Town Law set forth two methods for establishing or extending a town improvement district: (1) by the submission to the town board of a valid petition requesting the establishment or extension of the district (Article 12)[3]; and (2) by town board motion, subject to permissive referendum requirements (Article 12-A)[4].

Under both of these methods, the town board is required to adopt a resolution calling for a public hearing on the proposal to establish or extend the district. The following is a summary of the requirements for a notice of hearing. For more specific information on the requirements, please consult Town Law § 193, for Article 12 districts, and Town Law § 209-d, for Article 12-A districts:

- Posting and Publishing. The notice of public hearing must be posted on the town signboard and published in the town's official newspaper not less than ten and not more than twenty days before the date designated for the public hearing. The notice may also be made available on the town's website, if any.

- Time and Place for Hearing. The notice must specify the time when and place where the board will meet to hear all interested persons and, in the case of an Article 12 proceeding, consider the petition.

- Other Key Information. The notice must include
    - a boundary description
    - a description of the proposed improvements
    - the maximum proposed to be expended for the improvement
    - the estimated cost of hook-up fees, if any
    - the "cost of the district or extension" to the "typical property" and, if different, to the "typical one or two family home"[5]

- Filing of Petition. In the case of an Article 12 proceeding, the notice must recite in general terms the filing of a petition.

- Proposed Method of Financing/Map, Plan and Report. In the case of an Article 12-A proceeding, the notice must state the proposed method of financing and the fact that a map, plan and report describing the improvements are on file in the town clerk's office for public inspection.

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[3] The petition, among other requirements, must be signed by the proper number of owners of taxable real property in the proposed district or extension and, in the case of water, sewer, wastewater disposal and drainage districts, must be accompanied by an appropriate map, plan and report (see Town Law §§ 191, 191-a, 192).

[4] The establishment or extension of an improvement district under Article 12-A is based on a map, plan and report (see Town Law §§ 209-b, 209-c; see also Town Law § 209-e[3] and Article 7 of the Town Law (§ 90 *et seq.*), relating to permissive referendum requirements).

[5] The terms "typical property," "typical one or two family home," "cost of the district or extension to the typical property," and "cost of the district or extension to the typical one or two family home" are defined in Town Law §§ 193(2) and 209-a.

- Statement as to Benefit Assessments. In the case of an Article 12 proceeding for a water district and certain other types of districts, if it is intended to finance the proposed district on a benefit basis (rather than on an ad valorem basis), the petition must contain a statement to that effect. In the case of an Article 12-A proceeding for a water district, and certain other types of districts, if the town intends to finance the proposed district on a benefit basis (rather than on an ad valorem basis), the notice of hearing must contain a statement to that effect.

- Detailed Explanation of Costs. Prior to the publication of the notice, the board must cause to be prepared, and file for public inspection with the town clerk, a detailed explanation of how the estimated cost of hook-up fees, if any, and the cost to the "typical property" and, if different, the "typical one or two family home," was computed.

For further information on the notice of hearing requirement, please contact Ellen McDonald of the State Comptroller's Division of Legal Services at 518-474-3517.

APPENDIX B

FAQs ON THE ESTABLISHMENT OR EXTENSION OF TOWN SPECIAL DISTRICTS CONCERNING REQUIRED DETERMINATIONS AND METHODS OF ASSESSMENT

Q1. After the town board holds a public hearing upon proper notice,[6] and considers the evidence presented at the hearing concerning the proposed district establishment or extension, what generally is the next step if the town board wishes to establish the district or extension?

A. The board would adopt a resolution making four determinations. The specific determinations vary depending on the whether the district or extension is being established upon petition of property owners (Town Law Article 12) or board motion subject to permissive referendum requirements (Town Law Article 12-A; *see also* Town Law Article 7).

In the case of a district or extension on petition of property owners (Town Law Article 12), the resolution must contain determinations of the town board that (1) the petition of the property owners is signed, and acknowledged or proved, or authenticated, as required by law and is otherwise sufficient (Town Law § 194[1][a]), and [2] it is in the "public interest" to grant the relief sought in the petition (Town Law § 194[1][d]). In the case of a district or extension on board motion (Town Law Article 12-A), the resolution must contain determinations of the town board that (1) the notice of hearing was published and posted as required by law and is otherwise sufficient (Town Law § 209-e[1][a]) and [2] the establishment or extension of the proposed district is in the "public interest" (Town Law § 209-e[1][d]).

In addition, the town board must also make the following determinations under <u>both</u> Article 12 and 12-A proceedings:

- That all property and property owners within the proposed district or extension are benefited by the district or extension; and

- That all the property and property owners that are benefited by the proposed district or extension are included within the limits of the district or extension.

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[6] Pursuant to the Town Law (§§ 193, 209-d), notice of the public hearing must be provided by posting on the signboard of the town and by publishing in the town's official newspaper (*see* <u>Matter of Carriero v Town Bd. of Town of Stillwater</u>, 41 AD3d 1011, 838 NYS2d 243 *lv dismissed and denied* 9 NY3d 980, 848 NYS2d 16, *lv dismissed* 12 NY3d 838, 881 NYS2d 11 *mod and lv dismissed* 72 AD3d 1479, 899 NYS2d 452; *compare* <u>Garden Homes Woodlands Co. v Town of Dover</u>, 95 NY2d 516, 720 NYS2d 79 . Additional forms of notice may also be provided, such as posting on the town's website (*see* Town Law § 193[1][a]).

Q2. May the expenses for any district or extension be raised on either a benefit or ad valorem basis?

A. Town Law § 202 contains provisions relative to assessments for the capital costs of town districts. Assessments for sewer, sewage disposal, wastewater disposal, drainage and water quality treatment districts always must be "in just proportion to the amount of benefit which the improvement shall confer upon" the lot or parcel (*i.e.*, a benefit basis; Town Law § 202[2]; *see also* Real Property Tax Law § 102[15]). In the case of park, snow removal, water supply, water storage and distribution, ambulance, harbor improvement and public dock districts, assessments always must be "in the same manner and at the same time as other town charges" (*i.e.*, an ad valorem basis; Town Law § 202[3]; *see also* Real Property Law § 102[14]).

Water, lighting, public parking, sidewalk, refuse and garbage, aquatic plant growth, watershed protection improvement and beach erosion control districts may be assessed either on a benefit basis or an ad valorem basis, depending upon the property owners' petition (in the case of an Article 12 district or extension), or the notice of hearing (in the case of an Article 12-A district or extension) (Town Law § 202[3]). For these types of districts, if the petition or the notice of hearing, as the case may be, provides that the costs of the improvement will be assessed on a benefit basis, then the district will be on a benefit basis; otherwise, the district will be assessed on an ad valorem basis.

With limited exceptions, once a determination has been made to finance a district on an ad valorem or benefit basis, the manner of assessment for the district may not be changed (Town Law § 202[4]; 1986 Ops St Comp No. 86-88, at 135). Any extensions to a district must be charged on the same basis (benefit or ad valorem) as the original district (Town Law § 202[5]). The expenses of operation and maintenance of a district, if raised by assessments, also must be raised on the same basis as the capital costs of the improvement (Town Law § 202-a).

Q3. When is the consent of the State Comptroller required for the establishment or extension of an improvement district within a town?

A. The Comptroller's approval is required for the establishment or extension of a town district if two factors are present: (1) debt is to be issued or assumed (see Town Law § 198[12]) by the town for the improvement, and (2) the "cost of the district or extension" to the "typical property" or, if different, the "typical one or two family home" as stated in the notice of hearing on the establishment or extension, is above the average annual estimated cost threshold for similar types of districts as may be computed by the State Comptroller (Town Law §§ 194[6], 209[f]).

Q4. What constitutes the "typical property" for this purpose?

A. The term "typical property" is defined by statute (Town Law §§ 193[2][a], 209-a[2]). "Typical property" means a benefited property within the proposed district or extension having an assessed value that approximates the assessed value of the "mode" (i.e., the most frequently occurring assessed value as shown on the latest completed assessment roll) of the benefited properties within the district or extension that will be required to finance the cost of the proposed improvement. In other words, to determine the "typical property," the town generally would review the assessment roll for parcels within the proposed district or extension, and determine the most commonly occurring assessed value within the proposed district or extension.

Q5. What is meant by the "cost to the typical property?"

A. This term is defined in the Town Law as the estimated amount that the owner of a typical property within the district or extension will be required to pay for debt service, operation and maintenance and other charges related to the improvements in the first year following formation of the district or extension (or, if greater, the first year in which both principal and interest, and operation and maintenance will be paid) (Town Law §§ 193[2][c], 209-a[4]). This includes benefit assessments and ad valorem levies, as well as user fees.

To ensure accurate calculations of estimated costs, towns should not assume the receipt of federal or state aid in the absence of firm commitments from the appropriate agency. In addition, estimated borrowing costs should be based on the proposed maturity of the obligations and interest rate assumptions derived from market surveys or a letter of commitment. The town may have a financial advisor who can assist in estimating borrowing costs. Charges imposed by other governmental entities, such as charges or fees imposed by public authorities or other municipalities, should also be included in the computation. In addition, if a proposed district will be sharing infrastructure costs with another town district or town improvement (see Town Law article 12-C; Town Law § 208; General Municipal Law § 119-o), the proportionate costs attributable to the proposed district should be included in the estimated annual cost to the typical property.

Q6. What if the Office of the State Comptroller (OSC) has not established a threshold for a particular type of district?

A. OSC only establishes a threshold when we have sufficient data to make the necessary calculation for that type of district or extension. If no threshold for a particular type of district or extension has been established by this Office, and debt will be issued by the town for the improvement, then OSC consent is necessary, irrespective of the cost to the typical property, and an application for the Comptroller's approval would be required (see 2 NYCRR Part 85).

Q7. Are hook-up fees for a town water or sewer district included in the estimate for the "cost to the typical property?"

A. No. "Cost" for this purpose does not include hook-up fees, which are not recurring charges imposed to fund the district or extension.

In general, hook-up charges are the responsibility of the owner of each property connecting to the system. A town may use its employees to connect a property to the water or sewer system and charge the property owner for the cost of these services (Town Law §§ 198[1][h],198[3][a]). The service line for both water and sewer from the curb to the house is generally installed by a private contractor at the owner's expense.

Note that the notice of hearing published by the town in advance of establishing or extending the district must separately list the estimated costs of any hook-up fees, in addition to, among other things, the cost of the district or extension to the typical property (Town Law § 193[1][a], 209-d[1]).

Q8. Can hook-up fees be used to generate revenue for town district improvements or operations?

A. No. Towns are authorized to impose one time hook-up fees in certain circumstances for connections to town water or sewer districts (Town Law §§ 198[1][h]; 198[3][a]). These one-time fees, however, are limited to costs incurred by the town with respect to the connections of users to the water or sewer system and may not be used to otherwise defray costs of capital improvements or operations of the district (Video Aid v Town of Wallkill, 203 AD2d 554, 610 NYS2d 610, revd on other grounds 85 NY2d 663, 628 NYS2d 18; see also Coconato v Town of Esopus, 152 AD2d 39, 547 NYS2d 953, lv denied 76 NY2d 701, 558 NYS2d 891; Mark IV Construction v County of Monroe, 187 AD2d 985, 590 NYS2d 335; Phillips v Town of Clifton Park Water Authority, 286 AD2d 834, 730 NYS2d 565, lv denied 97 NY2d 613, 742 NYS2d 606; Matter of Torsoe Brothers v Village of Monroe, 49 AD2d 461, 375 NYS2d 612).

Q9. How does a town finance operating costs of a newly-formed district before assessments are levied and collected on behalf of the district?

A. Local Finance Law § 24.00 generally provides that in the case of a newly established improvement district, a town may issue tax anticipation notes for the "necessary expenses incidental to the creation of such district" and "the other necessary expenses incurred or to be incurred for" the district prior to the first levy of assessments (Local Finance Law § 24.00[d][2]). An appropriation to redeem the notes must be included in the first levy of assessments for the district (Local Finance Law § 24.00[d][3]). The notes must mature within one year from the date of their issuance, and while the notes may be renewed, each renewal shall be for a period not exceeding one year, and the notes must be repaid within the close of the second fiscal year succeeding the fiscal year in which the notes were issued (Local Finance Law § 24.00[d][3]). Note that when the only indebtedness proposed in connection with the establishment of a town district are tax anticipation notes, the Comptroller's approval is not required (3 Ops State Comp No. 1990, at 125 [1947]).

In addition, for several types of districts (e.g. water, sewer, refuse and garbage), towns are authorized to impose fees upon users of the service in accordance with proper procedures (see e.g. General Municipal Law Article 14-F; Town Law §§198[3][d], [9][b]). Revenues generated by user fees may fund operating costs of a newly-formed district before assessments are levied and collected.

Q10. May a town supersede the provisions of Articles 12 and 12-A of the Town Law by adopting an inconsistent local law?

A. No. Articles 12 and 12-A of the Town Law establish a comprehensive legislative scheme evincing an intent to pre-empt local laws relating to the establishment, financing and operation of town improvement districts (see Coconato v Town of Esopus, 152 AD2d 39, 547 NYS2d 953, lv denied 76 NY2d 701, 558 NYS2d 891; 2008 Ops St Comp No. 2008-4; 2001 Ops St Comp No. 2001-7, at 11; 2000 Ops St Comp No. 2000-17, at 44; 1992 Ops St Comp No. 92-33, at 84). In addition, although the Municipal Home Rule Law authorizes towns to adopt local laws that

supersede, in certain respects, provisions of the Town Law (Municipal Home Rule Law § 10[1][ii][d]), there is an express restriction on this home rule authority with respect to provisions relating to a "special or improvement district" (Municipal Home Rule Law § 10[1][ii][d][3]).

Q11. A town has established a district and constructed improvements in accordance with the district map, plan and report. The town later needs to make additional improvements or repairs. Does the town need the Comptroller's approval before undertaking the additional improvements or repairs?

A. Generally no, even where debt will be issued (Town Law § 202-b[3]). Town Law § 202-b provides for increases and improvements of district facilities, upon notice and after a public hearing. A town board on behalf of water, water storage and distribution, ambulance, sewer, sewage disposal or drainage districts may (1) acquire or construct additional facilities and appurtenances, (2) improve or reconstruct existing facilities and appurtenances, (3) replace obsolete, inadequate, damaged, destroyed or worn out apparatus and equipment, and (4) acquire additional apparatus and equipment without seeking comptroller approval (Town Law § 202-b[1] and [3]). In addition, a town board, on behalf of a park, public parking, ambulance, lighting, snow removal, refuse and garbage, public dock, watershed protection improvement or beach erosion control district may (1) acquire additional apparatus and equipment, (2) replace obsolete, inadequate, damaged, destroyed or worn-out apparatus and equipment, (3) construct additional facilities and appurtenances, and (4) reconstruct or replace obsolete, inadequate, damaged, destroyed or worn out facilities and appurtenances (Town Law § 202-b[2]).

Except in the case of certain towns within the Adirondack Park, the Comptroller's approval is not required for these expenditures. A town must obtain the consent of the State Comptroller for repairs or improvements to an existing district when the district is located within a town in the Adirondack Park and the district contains State lands assessed at more than 30% of the total assessed valuation of the district as determined from the assessment rolls of the town (Town Law § 202-b[5]).

Q12. What kinds of resolutions relating to town districts must be filed with the State Comptroller in connection with special districts?

A. A certified copy of any resolution to establish, extend, dissolve or diminish any district, or consolidate districts, adopted pursuant to articles 12 or 12-A of the Town Law, or article 17-A of the General Municipal Law, is required to be filed with the State Comptroller within ten days after adoption (Town Law §§ 195[1], 209-g[1]). In addition, a certified copy of the notice of hearing on the establishment or extension of a district when debt will be issued but the district or extension is below the cost threshold that would require the Comptroller's approval must be filed with the Comptroller on or about the date of publication of the notice (Town Law §§ 193[1][b], 209-d[2][a]). Filings should be addressed to the Division of Legal Services, 14th Floor, 110 State Street, Albany, NY 12236.

PART 85

APPLICATION FOR PERMISSION OF STATE COMPTROLLER

(Statutory authority: County Law, Sections 258, 268, 269, 280-I, 280-t, 299-o and 299-r; Town Law, Sections 54, 194, 202-d, 202-e, 209-f, 209-h and 209-q; State Finance Law, Section 8[14])

Sec.
85.1 Background
85.2 Definitions
85.3 Authority for submitting application
85.4 Information required in application
85.5 Opinion of legal counsel
85.6 Amending fee application
85.7 Final order of the Comptroller

§ 85.1 Background.

(a) The purpose of this Part is to:

(1) set forth the documentation that must be included in applications to the Comptroller for permission to establish, extend or increase the maximum amount to be expended in town or county improvement districts or to authorize or increase the maximum amount to be expended for a town improvement; and

(2) to place the primary responsibility for compliance with the applicable provisions of the Town Law and the County Law with local officials. It is the Comptroller's expectation that, upon receipt of an application which complies with this Part, he will, in all but a very limited number of instances, be able to make prompt determinations of public interest and undue burden, as required by statute, without requiring additional information or documents from the applicant.

(b) While existing procedures used to review applications under the Town Law and the County Law may result in the identification and correction of deficiencies, the Comptroller believes that the administrative burdens and attendant delays imposed on towns and counties by this review may be disproportionate to the protection it provides to the taxpayers. In addition, it is the Comptroller's judgment that the existing procedures are no longer a wise use of the limited resources available to the Comptroller's Office. Therefore, these regulations are intended to establish streamlined procedures for the performance of the statutorily required approval function.

(c) The procedures contained in this Part are intended to eliminate the need for a detailed review by the Comptroller's Office of all proceedings underlying a matter requiring the Comptroller's permission and, instead, place the primary responsibility for compliance with the Town Law and the County Law with local officials. To this end, the regulations require the town or county's legal counsel to provide an opinion that the town or county has undertaken all necessary proceedings in the manner required by statute. In addition, the town or county must submit a verified statement detailing the nature of the proposed improvements, the need for such improvements, and the information necessary to calculate the cost of the proposed improvements to the properties which will be required to pay for them.

§ 85.2 Definitions.

As used in this Part, the following terms shall have the following meanings:

(a) “Application” shall mean any application for permission of the State Comptroller.

(b) “Permission of the State Comptroller” shall mean the consent, permission or approval of the State Comptroller required pursuant to any of the following statutes: County Law, sections 258, 268, 269, 280-i, 280-t, 299-o and 299-r; Town Law, sections 54, 194, 202-d, 202-e, 209-f, 209-h and 209-q.

(c) “Typical property” shall mean the assessed value that approximates the assessed value of a majority or mode of the properties situated in the area that will be required to finance the cost of the proposed improvements.

(d) “Typical one- or two-family home” shall mean the assessed value that approximates the assessed value of a majority or mode of the one- or two-family dwellings situated in the area that will be required to finance the cost of the proposed improvements.

(e) “Verified” shall mean an application which contains a verification in substantially the following form:

VERIFICATION

STATE OF NEW YORK)

COUNTY OF_____) SS.:

_____, being duly sworn, deposes and says that (s)he is the _____ of the _____, the corporation named in the within entitled action; that (s)he has read the foregoing application and knows the contents thereof; and that the same is true to (her) his own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters (s)he believes it to be true.

_____

Sworn to before me this

_____ day of _____, 19

_____

§ 85.3 Authority for submitting application.

(a) An application for permission of the State Comptroller shall set forth the statute pursuant to which the application is being made and contain such other information as is required by section 85.4 of this Part. Such information may either be included as a statement in the application or attached as an exhibit thereto. The application shall be executed and verified by the supervisor if an application is made pursuant to the Town Law, the chairman of the board of supervisors if an application is made pursuant to the County Law or such other officer as the governing board of the town or county shall

designate. Any application under Town Law, sections 194 and 209-f, including all exhibits thereto, shall be submitted in duplicate.

(b) All applications for permission of the State Comptroller shall be accompanied by:

(1) a certified copy of a resolution of the governing board stating that the attached application was prepared at the direction of the governing board; that the board believes the contents of the application to be accurate; that the Board has determined that the improvement, district, extension or expenditure for which permission is sought is in the public interest and will not constitute an undue burden on the property which will bear the cost thereof; and if the cost of the proposed improvements is to be assessed in whole or in part against a benefited area, that all real property to be so assessed will be benefited by the proposed improvements and that no benefited property has been excluded; and

(2) one or more opinions of legal counsel that comply with the requirements of section 85.5 of this Part.

§ 85.4 Information required in application.

An application for permission of the State Comptroller shall contain the following:

(a) all documents and information required to be included by the provisions of the Town Law or the County Law pursuant to which the application is being made;

(b) a description of the proposed improvements;

(c) a statement setting forth the maximum cost of the proposed improvements. If an application is for the approval of an increase of maximum amount, a statement of the original maximum amount, the amount of the increase, and the circumstances which have made the increase necessary;

(d) a statement explaining the factors which the governing board considered in making its determination that the proposed improvements are in the public interest. These factors should demonstrate a basis for the board's determinations that the proposed improvements are necessary, convenient or desirable and, if the cost of the improvements is to be assessed in whole or part against benefited property, that all property upon which the assessments are to be imposed will be benefited by the improvements and that no benefited property has been excluded;

(e) a statement describing the proposed manner of financing the cost of the improvements. This statement shall set forth:

(1) the anticipated amount, type, term, and interest rate of the proposed town or county indebtedness, together with a statement that the proposed financing is reasonable under current market conditions or is being made available under a State or Federal loan program; and

(2) a description of the amount and type of State or Federal aid, if any, together with written documentation from the appropriate State or Federal agency confirming that such aid has been committed. If the town or county's determination that the proposed financing is reasonable is based on the opinion of the town or county's financial advisor, a copy of such opinion should accompany the application;

(f) an estimate of the cost of operating and maintaining the proposed improvements, including the basis or source of such estimate;

(g) a statement detailing the manner in which it is proposed to raise the costs of debt service and operation and maintenance. If assessments are to be made on a benefit basis, a description of the proposed benefit formula must be included. If user charges are to be imposed in connection with the improvements, an estimate of the amount of such charges and the basis on which they are to be computed;

(h) if an application is for permission to establish or extend a district or for an increase in the maximum amount to be expended in a district or an extension, a statement of the aggregate assessed valuation of the taxable real property in the proposed district or extension, as shown on the latest completed assessment roll;

(i) if an application is for permission to provide an improvement under section 54 or 209-q of the Town Law or to increase the maximum amount to be expended for such an improvement:

(1) if all or part of the cost is to be assessed against a benefited area, a statement of the aggregate assessed valuation of the taxable real property in the proposed benefited area, as shown on the latest completed assessment roll of the town; or

(2) if all or part of the cost is to be assessed against the area of the town outside of any villages, a statement of the aggregate assessed valuation of the taxable real property in that area, as shown on the latest completed assessment roll of the town;

(j) if an application is made pursuant to section 258, 268, 269, 280-i, 280-t, 299-o or 299-r of the County Law and it is proposed to establish two or more zones of assessment within a county district, a statement of the allocation of costs of the proposed improvements between the zones of assessment and the factors the governing board considered in making such allocation;

(k) a statement of the average full valuation of the taxable real property of the town or county making the application computed pursuant to the first paragraph of subdivision seven-a of section 2.00 of the Local Finance Law;

(l) an itemized statement of the outstanding, and authorized but unissued, indebtedness as of the date of the application for all town purposes, if the applicant is a town, and for all county purposes, if the applicant is a county;

(m) a statement of all appropriations made during the current fiscal year for repayment of debt principal, the amount of any State or Federal aid available for the payment of debt principal, and the amount of all debt which is excludable for purposes of computing the town or county's debt limit under article VIII of the New York State Constitution;

(n) In lieu of the statements required by subdivisions l and m, the town or county may submit a debt statement prepared, as of the date of the Application, in the manner prescribed in title 10 of article 2 of the Local Finance Law;

(o) the current tax rates and assessments applicable to the taxable real property which will bear the cost of the proposed improvement itemized for:

(1) county;

(2) town, including highway;

(3) school;

(4) fire;

(5) any other purpose, with each such purpose being listed individually.

Ad valorem rates should be separately listed per $1,000 of assessed valuation. In the case of benefit assessments, the estimated cost to a typical property should be included;

(p) a statement of the assessed value of a typical property;

(q) a statement setting forth the amount that it is estimated that the owner of a typical property and, if different, a typical one- or two-family home will be required to pay in the first year following approval of the application, if granted, for debt service, operation and maintenance and other charges, such as user charges or hook-up fees, related to the proposed improvements, together with an explanation of how such costs have been computed;

(r) a statement setting forth the maximum amount any real property owner will be required to pay in the first year following approval of an application, if granted, for debt service, operation and maintenance and other charges related to the proposed improvements, together with an explanation of how such costs have been computed;

(s) a statement whether the area which will bear the cost of the proposed improvements contains state lands and, if so, the identity of the State lands and the costs which will be borne by such property in the first year following approval of the application, if granted;

(t) a statement whether the area which will bear the cost of the proposed improvements is wholly or partially within an existing or proposed agricultural district, and if so, how the assessment base for the proposed improvement will be affected thereby;

(u) a statement of the population of the area which will bear the cost of the improvements, the number of one- and two-family homes located in the area, the assessed value of the typical one- or two-family home, and a description of any nonresidential areas, including the total assessed value thereof;

(v) if the proposed district, extension or improvement will benefit vacant land, a statement describing the status of any proposals for the development of such land. If the governing board's determination that the cost of the proposed improvement will not constitute an undue burden on the area which will bear the cost of those improvements is dependent, in whole or in part, on the development of vacant land, a statement of the type of security to be obtained by the governing board

to ensure that the cost will not be an undue burden or the factors on which the governing board relied in determining that such security is unnecessary;

(w) if it is contemplated that service will be sold to users outside the proposed district, extension or area benefited by an improvement, a statement of the anticipated price to be charged and the amount of revenue expected to be generated in the first year following approval of the application, if granted;

(x) a copy of any and all orders issued by a State or Federal agency or court relating to the proposed district, extension, improvement or expenditure, together with a statement describing any pending judicial or administrative proceedings which relate to the proposed improvements;

(y) a statement of what actions, if any, the governing board has taken, other than those required by the applicable provisions of the Town Law or County Law, to apprise the owners of the properties which will bear the cost of the proposed improvements of that cost, including the estimated first year cost; and

(z) a statement whether the town or county has received any written objections from the owners of the real property that will bear the cost of the improvements expressing opposition to undertaking the improvements, and if so, the nature and extent of such opposition.

§ 85.5 Opinion of legal counsel.

The legal opinion(s) required by section 85.3(b) of this Part shall be addressed to the town or county, expressly provide that the State Comptroller may rely thereon, and contain the following:

(a) A statement that, in his or her capacity as legal counsel for the town or county, he or she has examined originals or true and complete copies of those records, documents and other instruments necessary to render his or her opinion, including, but not limited to:

(1) the Constitution of the State and relevant statutes, including but not limited to, the statute pursuant to which the application is made and the State Environmental Quality Review Act;

(2) any petitions for the establishment or extension of a district or provision of an improvement;

(3) all orders and resolutions of the governing board pertaining to such application;

(4) proof of any posting and publication of required notice;

(5) any petitions requesting a referendum;

(6) any certificate stating that no petition requesting a referendum was received or certifying the result of the vote on the proposition submitted at a referendum;

(7) any map or plan required by statute;

(8) any proposed contracts or agreements referred to in the application; and

(9) the application to be submitted to this office; and

(b) An expression of his or her opinion that:

(1) the application to this office contains all information required by the applicable statutes and regulations;

(2) the town or county, in relation to the district, extension, improvement, expenditure or increase in maximum for which the permission or consent of the Comptroller is sought, has undertaken all actions and proceedings required by applicable provisions of law. The opinion may contain appropriate qualifications so long as the attorney expresses his or her opinion that there was no substantial or material deviation from the applicable statutes;

(3) such district, extension, improvement, expenditure or increase in maximum has been duly authorized by the town or county as required by statute except for:

(i) obtaining the permission or consent of the Comptroller;

(ii) the adoption of any order or resolution required to be adopted after the Comptroller has granted such consent or permission; and

(iii) any publication of any notice required to be published after receipt of such consent or permission;

(4) town or county officials, as the case may be, are not aware of any material pending or threatened lawsuits or claims relating to the district, extension, improvement, expenditure or increase in maximum for which permission or consent is being sought; and

(5) any assessments, charges or taxes to be levied or imposed to finance the improvements or services to be provided are authorized by statute and all necessary action has been taken by the municipality to authorize the imposition or levy of such assessments, charges or taxes.

§ 85.6 Amending the application.

The town or county, on its own initiative or at the request of the Comptroller, may provide any additional information which will assist the Comptroller in making determinations of public interest and undue burden.

§ 85.7 Final order of the Comptroller.

Upon receipt of an application for permission of the State Comptroller that complies with the requirements of sections 85.3, 85.4, 85.5 and 85.6 of this Part, the Comptroller, after reviewing the same, shall make his final determination and make an order, in duplicate, granting or denying the permission sought.

PROCEDURES FOR CREATING AND EXTENDING SPECIAL DISTRICTS AND PROVIDING SEWER, DRAINAGE AND WATER IMPROVEMENTS

I. Uses and Purposes

A. General purpose of a town special district is to provide an improvement or service and to assess its costs against an area deemed benefited. An improvement district is a department of town government and is not an independent corporate entity (Belinson v. Sewer District No. 16 of the Town of Amherst, 65 AD2d 912, 410 NYS2d 469). Since a town special district is not a district corporation, a district may not issue its own indebtedness (cf., a district corporation as defined in General Construction Law §66 [3]). Most town special districts are governed by the town board and not by a separate board of commissioners (Opns St Comp No. 87-69).

B. Major Types and Functions of Town Special Districts

1. Sewer
   - construct and maintain sanitary sewer systems
   - contract for the supplying of sanitary sewer facilities
   - contract for the purchase of a sewer system
   - regulate sewer connections (Town Law §198 [1])

2. Water
   - construct and maintain water system for domestic and commercial use, and for fire protection
   - purchase existing water system
   - purchase supply of water for a term not to exceed 40 years; resale of water to district inhabitants and consumers
   - regulate water connections (Town Law §198 [3])

3. Drainage
   - construct and maintain drains, storm sewers
   - contract for the supply of storm sewage facilities
   - contract for the purchase of a storm sewage system
   - regulate storm sewer connections (Town Law §198 [2])

4. Refuse and Garbage
   - provide for collection and/or resource recovery or disposition of garbage and other waste matter
   - construct, operate and maintain resource recovery facilities, including necessary vehicles
   - contract for collection, resource recovery and disposal services (Town Law §198 [9])

5. Park
   - acquire property to establish, maintain and operate park
   - purchase necessary equipment and improve park property
   - construct non-commercial buildings (Town Law §198 [4])

6. Ambulance - provide emergency medical, general ambulance or a combination of those services
   - acquire, supply, equip and operate vehicles
   - contract for operation, maintenance and repair of district vehicles
   - contract for the supplying, staffing and equipment of vehicles
   - contract cannot be with emergency rescue and first aid squad of volunteer fire company (Town Law §198 [10-f])

7. Lighting - contract to illuminate streets and highways for term not more than 10 years
   - purchase lighting standards and contract for installation, maintenance and supplying electricity or gas therefor (Town Law §198 [6])

8. Wastewater Disposal - construct and maintain private on-site wastewater disposal systems (cannot be established within a sewer district but sewer districts may also exercise these powers) (Town Law §§190-f, 198 [1-b]; Opns St Comp No. 86-46)

9. Water Supply - contract for a term not to exceed 40 years to secure water supply for fire, sanitary or other public purpose
   - contract for the furnishing, erection, maintenance, care and replacement of fire hydrants
   - cannot be established within water district (Town Law §§190, 198[8])

10. Others include public parking, snow removal, water storage and distribution, beach erosion control, sidewalk and aquatic plant growth control (Town Law, §198[5], [7], [8-a],[10-a], [10-b], [10-e])

II. Similarities between Article 12 (petition) and Article 12-A (town board motion) proceedings to establish special districts

A. The proceeding to establish most types of districts may be initiated by a petition of the property owners or by the town board's own motion (Town Law §§190, 191, 209, 209-a).

2. A public hearing must be held. The notice of the public hearing:

1. Must be published at least once in the town's official newspaper not less than

10 and not more than 20 days before the date of the public hearing (Town Law §§193, 209-d)

2. Must be posted on the town's sign- board not less than 10 and not more than 20 days before the date of the public hearing (Town Law §§193, 209-d)

3. Must include a description of the boundaries of the proposed district, the improvements proposed, the maximum amount proposed to be expended for the improvement, the estimated cost of hook-up fees, if any, and the cost of the proposed district to the typical property and, if different, to the typical one or two family home, and the time and the place of the public hearing (Town Law §§193, 209-d, as amended by L1995, ch 397)

4. A typical property is a property whose assessed valuation approximates the mode of the properties within the proposed district (Town Law §§193 [2][a], 209-a [2])

5. The cost to the typical property is the estimated amount such a property owner owner will be required to pay for debt service, operation and maintenance and other charges, such as user fees, in the first year following creation of the district or, if greater, in the first year in which principal and interest and operation and maintenance costs will be paid, but does not include hook-up fees (Town Law §§193 [2][c], 209-a [4])

6. In a proceeding to establish a sewer, water, drainage or wastewater disposal district, a map, plan and report must be prepared by an engineer duly licensed by New York State and must be available for public inspection prior to the date and time of the public hearing (Town Law §§192, 209-c)

C. After the public hearing, the town board must determine (Town Law §§194, 209-e):

1. whether all property and property owners within the proposed district are benefited.

2. whether all benefited property and property owners are included within district (see Brewster-Mill Park Realty, Inc. v Town Board of Town of North Elba, 17 AD2d 467, 235 NYS2d 931).

3. whether formation of the district is in the public interest (see Kraizberg v Shankey, 167 AD2d 467, 561 NYS2d 600; see Town of Lima v. Harper, 55 AD2d 405, 390 NYS2d 752).

4. If the town board approves the district's creation, an application to the Comptroller is required when:

1. The plan for the district calls for the town to issue or assume debt and the estimated cost of the proposed district to the typical property exceeds the average cost threshold which the Comptroller has annually computed for that type of district (Town Law §§194 [6], 209-f [1]). As of the year 2000, the Comptroller's Office has computed average cost thresholds for two types of districts: sewer and water.

2. The plan for the district calls for the town to issue or assume debt and the Comptroller's Office has not computed an average cost threshold for that type of district.

III. Differences between Article 12 (petition) and Article 12-A proceedings (town board motion) proceedings to establish special districts

A. Article 12 proceedings

1. A petition of property owners is filed with the town. The petition must:

- be signed by the owners of at least 50 percent of the aggregate assessed valuation of the taxable real property within the proposed district (Town Law §191).

-if there are any resident owners within the proposed district, the petition also must be signed by the owners of at least 50 percent of the aggregate assessed valuation of the resident owned property within the proposed district (Town Law §191).

-if the proposal is to establish a sewer, water, drainage or wastewater disposal district, the petition must be accompanied by a map, plan and report prepared by an engineer duly licensed in New York State (Town Law §192).

2. The order calling the public hearing must recite in general terms the filing of the petition and state the boundaries, the improvements, and the maximum expenditure, as proposed in the petition (Town Law §193).

3. After the public hearing, the town board must determine whether the petition is signed and acknowledged or proved as required by law and is otherwise sufficient (Town Law §194 [1][a]).

4. The resolution approving the establishment of a special district is not subject to permissive referendum (see Town Law §194).

5. Article 12-A proceedings

1. After the public hearing, the town board must determine whether the notice of the public hearing was published and posted as required by law and is otherwise sufficient (Town Law §209-e [1][a]).

2. The resolution approving the establishment of a district is subject to permissive referendum by the procedure set forth in Article 7 of the Town Law with these exceptions:

- a petition requesting a referendum must be signed and acknowledged by at least 5 percent of the owners of taxable real property within the proposed district, or by at least 100 of such owners, whichever is the lesser number (Town Law §209-e [3]).

- a proposition to establish a district must be approved by the majority of the property owners who vote in the referendum (Town Law §209-e [3]).

- a corporation which owns taxable real property within a proposed district is entitled to sign a petition requesting a referendum and to vote in the referendum (Town Law §209-e [3]).

- the judiciary has held the property qualification to participate in a referendum concerning the establishment of a proposed district to be constitutional (Lane v. Town of Oyster Bay, 197 AD2d 690, 603 NYS2d 53; see Opns St Comp No. 92-39).

IV. Applications to the State Comptroller

1. Major items to be considered when preparing the application

1. All applications (including exhibits) are to be submitted in duplicate and are to be executed and verified by the town supervisor, unless the town board designates another town officer (Town Law §§194 [3][a], 209-f [3][a]).

2. The Town Law requires that the application include:

- A certified copy of the resolution approving the establishment of the proposed district.

- A certified copy of the petition of the property owners (Article 12) or, if on board motion (Article 12-A), a certified copy of the notice of hearing, an affidavit of posting of notice of the public hearing, an affidavit of publication

of notice of the public hearing, and a certificate regarding the permissive referendum (Town Law §§194 [3][a][1], 209-e [4][a],[b], 209-f [3][a][1]).

- Applications for sewer, water, drainage or wastewater disposal districts must include a map, plan and report (Town Law §§194 [3][a][1], 209-f [3][a][1]).

3. Part 85 of the Comptroller's Rules and Regulations (Title 2, NYCRR Part 85) applies to all applications. The following are some of the items to be prepared for the application:

- the town board must adopt a resolution, a certified copy of which is to be enclosed with the application, whose determinations include that the application was prepared at the direction of the town board and that the town board believes the contents of the application to be accurate (Part 85, §85.3 [b][1]).

- an opinion of legal counsel regarding the legal sufficiency of the proceeding to establish the proposed district is required which expressly provides that the State Comptroller may rely on the opinion (Part 85, §85.5). The opinion is to state the records, documents and other instruments relied upon by counsel in rendering the opinion (see the items listed in Part 85, §85.5 [a], which includes the State Environmental Quality Review Act). The expression of conclusions by counsel is to include whether the town has undertaken all actions and proceedings required by applicable provisions of law and may contain appropriate qualifications so long as it is counsel's opinion that the proceeding had no substantial or material deviation from the applicable statutes (Part 85, §85.5 [b][2]).

- a statement explaining the factors which the town board considered in making its determination that the proposed improvements are in the public interest Part 85, §85.4 [d]).

- a statement describing the proposed manner of financing the capital cost of the district (Part 85, §85.4 [e]).

- a statement detailing the manner in which it is proposed to raise the costs of debt service and operation and maintenance (Part 85, §85.4 [g]).

- a statement setting forth the amount it is estimated that the owner of a typical property will be required to pay in the first year following approval of the application, if granted, for debt service, operation and maintenance, and other charges, such as user charges or hook-up fees (Part 85, §85.4 [q])

- a statement setting forth the maximum amount it is estimated that any property owner within the proposed district will be required to pay in the first year following approval of the application, if granted, for debt service, operation and maintenance, and other charges, including user charges or hook-up fees (Part 85, §85.4 [r]).

B. A duplicate of the application is to be filed with the county legislative board which thereafter has 15 days to file an objection in writing to the Comptroller (Town Law §§194 [3][b], 209-f [3][b]).

3. The Comptroller decides whether to approve an application by determining whether the public interest will be served by the establishment of the proposed district and whether the cost will be an undue burden upon the property therein (Town Law §§194 [3][b], 209-f [3][b]).

4. Final order establishing a special district

1. If the establishment of a district requires the approval of the State Comptroller, the town board may adopt the final order after receiving the approval order of the State Comptroller. A certified copy of the final order is to be recorded with the county clerk and is to be filed with the Comptroller's Office. The recording with the county clerk begins the statute of limitations for an Article 78 proceeding objecting to the legal sufficiency of the proceeding to establish the district (Town Law §§194 [5], 195 [1],[2], 209-f [5], 209-g [1],[2]).

2. If the establishment of the district does not require the approval of the Comptroller, the final order may be adopted by the town board :

- in an Article 12 proceeding, at the conclusion of the public hearing (see Town Law §194 [1], [6]).

- in an Article 12-A proceeding, after the town clerk certifies that no petition was filed requesting a referendum or that the proposition to establish the district was adopted at the referendum (see Town Law §209-f [2]).

V. Manner in which the costs of special districts are raised

A. All special districts are established by the town board on either the ad valorem or the benefit basis.

1. Ad valorem basis - the district's assessments are to be levied "in the same manner and at the same time as other town charges" upon the properties within

the proposed district based on their real property valuations for general tax purposes, unless a statutory exemption applies (see Town Law §202 [3]; see Agriculture and Markets Law §305 [5]; see Real Property Tax Law §490).

2. Benefit basis - the district's assessments are to be levied "in just proportion to the amount of benefit" upon the properties within the proposed district. A separate assessment roll is prepared annually for each benefit basis district, after a public hearing (see Town Law §§202 [2], 202-a [3]-[8]; see Opns St Comp No. 72-894 [unreported]).

B. The following types of special districts must be established on the ad valorem basis: park, water supply, water storage and distribution, ambulance, snow removal, harbor, dock, and fallout shelter (see Town Law §202 [3])

C. The following types of special districts must be established on the benefit basis: sewer, sewage disposal, wastewater disposal, drainage and water quality treatment (see Town Law §202 [2]).

4. The town board may choose to establish the following types of districts on either the ad valorem or the benefit basis: water, sidewalk, parking, refuse and garbage, aquatic plant growth control, beach erosion control, and lighting. In order to establish any of those districts on the benefit basis, the petition, in an Article 12 proceeding, or the order calling the public hearing, in an Article 12-A proceeding, must propose benefit assessments (Town Law §202 [3]).

5. A town board may change the method of assessment used in a special district in a limited number of circumstances:

1. A town board may adopt a resolution, subject to permissive referendum, that determines that it is in the public interest to change the basis of assessment in a lighting district from ad valorem to benefit (Town Law §204).

2. A town board may determine the basis of future assessments when consolidating ad valorem and benefit districts (Town Law §206).

3. A town board may propose in a proceeding to extend an ad valorem district that after the extension is established:

- all the expenses of the district will be assessed against the entire district; and

- all assessments of the extended district will be on the benefit basis because to remain on the ad valorem basis would result in unfair or inequitable assessments (Town Law §206-a).

6. The same method of assessment, ad valorem or benefit, is to be used to levy assessments to raise the capital and the operation and maintenance costs of a special district (Town Law §202-a [1],[2]).

G. User fees are authorized as an alternative or supplement to assessments in water, sewer, refuse and garbage districts (Town Law §198 [1][l], [3][d], [9][b]; General Municipal Law Article 14-F; see Opns St Comp No. 89-59).

1. contractual in nature; a charge for actual use (34 Opns St Comp, p 122 [1978]; Opns St Comp No. 80-357 [unreported]; see Young Men's Christian Association v. Rochester Pure Waters District, 37 NY2d 371, 372 NYS2d 633)

2. current charges not included on tax roll, but delinquencies can be enforced with annual taxes (see Town Law §98 [3][d]).

3. may be changed, subject to appropriate procedures, during fiscal year and billed, from time to time, in discretion of town board (see Opns St Comp Nos. 83-116 and 85-69).

VI. Extensions

1. The procedure to establish an extension is substantially the same as the procedure to establish the parent district. The following are some of the differences in the two types of proceedings:

1. In an Article 12 proceeding, the petition of the property owners must be signed by the owners of at least 50 percent of the assessed valuation of the taxable real property within the proposed extension. If there is resident owned property within the proposed extension, the petition also must be signed by the owners of at least 50 percent of the aggregate assessed valuation of the extension's resident owned property (Town Law §191).

2. In an Article 12-A proceeding, the owners of taxable real property within the proposed extended district may petition for a permissive referendum and may vote. The proposition to establish the proposed extension requires the affirmative vote of the majority of the owners of taxable real property in the extended district who participate in the referendum (Town Law §209-e [3]).

3. If an application to the Comptroller is required for permission to establish the extension, the application should supply information related to the extension when responding to Part 85 of the Comptroller's Rules and Regulations. Such information would include:

- a statement setting forth the amount it is estimated that the owner of a typical property within the proposed extension will be required to pay in the first year following approval of the application, if granted, for debt service, operation and maintenance, and other charges, such as user charges or hook-up fees (Part 85, §85.4 [q]).

-a statement setting forth the maximum amount it is estimated that any property owner within the proposed extension will be required to pay in the first year following approval of the application, if granted, for debt service, operation and maintenance, and other charges, such as user charges or hook-up fees (Part 85, §85.4 [r]).

B. The same basis of assessment, ad valorem or benefit, applies to a parent district and its extensions (Town Law §202[5], 202-a [1],[2]).

C. Generally, the capital cost of establishing an extension is paid by the properties within the extension (Town Law §202 [5]). The town board may also include in the cost of establishing an extension to a water, sewer, wastewater disposal or drainage district, a proportionate share of the cost of facilities of the parent district which also benefit the extension (Town Law §202 [5]).

D. An extension to a special district does not have an operation and maintenance budget separate from the budget of the parent district (see Town Law §202-a)

E. A town board may propose in the order calling the public hearing for a proceeding to establish an extension that after the extension is established, all the expenses of the district, including the cost of all current and future extensions, will be paid by the entire area of the district as extended (Town Law §206-a [1]). If the town board determines after the public hearing that it is in the public interest to assess all expenses of the district thereafter on that basis, that determination is subject to permissive referendum (Town Law §206-a [4]; see Opns St Comp No. 99-12).

VII. Article 12-C Sewer, Drainage or Water Improvements (Town Law §209-q)

A. A town board, as an alternative to establishing a special district, may authorize a sewer, drainage or water project as a part town improvement.

B. The procedures for authorizing an Article 12-C Improvement are similar to those for establishing or extending a special district. Some of the differences are:

1. The proceeding may be initiated by a petition of five resident owners of taxable real property located in the area of the town outside of any villages (Town Law

§209-q [10]).

2. The town board may determine that the cost of an Article 12-C improvement will be paid by a part town tax against the area of the town outside of any villages, by an ad valorem or benefit assessment against a benefited area, or by an apportionment between the area of the town outside of any villages and a benefited area (Town Law §209-q [8]).

3. The permission of the Comptroller is needed to provide an Article 12-C Improvement when debt is proposed to finance the project and the improvement's cost exceeds 1/10 of 1% of the full valuation of the taxable real property in the town outside of any villages (Town Law §209-q [13]).

C. The operation and maintenance costs of Article 12-C improvements may be raised by a part town tax or, in the case of water and sewer improvements, by user fees (Town Law, §209-q [12], [12-a]; see Opns St Comp No. 81-261). If a town has authorized several Article 12-C improvements of the same type, the cost of operating and maintaining those improvements is paid by one operation and maintenance budget (see Town Law §209-q [12]).