

VILLAGE OF FLEISCHMANN'S
EXECUTIVE SUMMARY
STUDY OF ISSUES TO REMAIN OR DISSOLVE THE VILLAGE

In response to a citizens-initiated petition to dissolve the village, the Village of Fleischmann's has scheduled a referendum for Friday, December 20, 2019 at Skene Library, 12 noon to 9 pm to approve, or disapprove the dissolution. Should the referendum pass, a series of NYS mandated steps will be taken with a timeline of a minimum of 9 months, for development of the plan, public meetings, and provision for a second referendum. A second referendum would only occur if a petition asking for such signed by 25% of registered voters was submitted.

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

The Village Board commissioned this study to inform the public of the facts, circumstances, and potential outcome of a dissolution. The village will make the full report available on its website, in the village office and the library, and by email upon request. The report references prior village studies, studies of other municipalities' dissolution efforts and NYS guidance on Municipal dissolutions/consolidations.

2. What services are currently provided by VOF, and by TOM?

The village provides direct services for street maintenance, fire protection, parks maintenance, street lighting, Library and museum, municipal water and sewer, and general services for collection of revenues, payment of expenses, insurance and general management of the village, as well as quality of life amenities. The Town provides street maintenance services but will have to expand services in the other areas, and will charge directly to village property owners via special districts. Obtain the full report to see the full complement of services.

3. What does the village own, owe and how might these be handled?

The village has \$679,000 in liquid net assets (cash and receivables less liabilities). It also owns \$10.5 million in property, plant and equipment. It has a Serial Bond paid out of the Water Fund from user fees, current balance is \$1.2 million with maturity 1/21/2041. The Village owes \$300,000 to the Catskill Watershed Corporation. This loan finances unreimbursed FEMA disaster relief spending. All assets (liquid assets, property, plant and equipment) are transferred to Middletown, while liabilities and debts remain with the Village.

4. Is the VOF financial condition improving, or deteriorating?

The financial condition of the village has improved significantly since 2015, with cost savings and revenue enhancements, collection of long outstanding taxes, water and sewer rents. Eight current fundraising (many grants being coordinated by the Mark Project) efforts brought resources to the village to improve infrastructure, village assets, and village amenities using non taxpayer dollars. The In-progress efforts are valued at over \$800,000.

5. What is the short-term fiscal impact of dissolution?

The impact on real property taxes for Fleischmann's property owners is calculated based on elimination of expenses and financial incentives to dissolve offered by NYS. The cost savings and incentives provide a potential 11% reduction of combined county, town and

village taxes if the incentives from the State are available. This computes to a \$90.38 annual reduction (\$7.53/month) for a \$50,000 assessed property value and a \$361.53 reduction (\$30.13/month) for a \$200,000 assessed value property. If the incentives are **not** available, the potential savings are \$36.15 annually (\$3.01/month) for a \$50,000 property or \$144.61 (\$12.05/month) for a \$200,000 property. The state intends to maintain the financial incentives, but are subject to annual state budgetary appropriations. The financial incentives are part of the Aid to Municipalities (AIM) program, which this year (2019) was dropped from the Governors state budget, but was restored through legislative initiatives. It is not guaranteed.

6. What are some non-financial impacts and other uncertainties of dissolution?

The village liquid assets will be merged with Town liquid assets (cash and receivables, net of liabilities) and would be allocated to the Town of Middletown's priorities, not necessarily Fleischmanns' priorities. Should village properties revert to private ownership, (i.e., parks, pool, theater, etc.) and their use be restricted to private usage, the village will lose attractiveness as a destination village for economic growth and development. All village business will take place at Middletown Village Hall, and there will not be local response to property owners accounts, issues and concerns. The Town is not required to maintain any existing agreements nor maintain the same level of services currently provided by The Village.

7. What are some advantages and disadvantages of dissolution?

Advantages: potential real property tax savings, reduced need for volunteers for local governance

Disadvantages: Loss of local control of assets and village fundraising opportunities; loss of locally directed economic development efforts; elimination of Village Comprehensive Plan; elimination of Village Planning Board, and Zoning Board of Appeals; governed by the less restrictive Town laws; religious and non-profit property taxes will increase (subject to fire district taxes and other); parking enforcement discontinued.

The full study is available at the village office, (845)254-5514 and the Skene Library.

Study prepared by the Fleischmanns Village Board November 7, 2019