

Report of the Ellenville Government Study Committee on Village Dissolution

Part 1: Introduction

The subject of dissolution of the incorporated Village of Ellenville has been a recurring theme that goes from dormant to active every generation or so. Although the question of Village dissolution has never reached the level of an official, mandated public referendum, the Village has initiated at least two previous studies since the 1960s to study the issue and make recommendations. The conclusions reached by these studies, done by mostly-local volunteers, though mixed, never resulted in further action to pursue official dissolution; whatever fervor accompanied the original decisions to study the matter soon died down, and the subject remained at the fringes of local consciousness, until the next burst of interest.

In early 2008, public murmurings resurfaced, in part due to concerns about Village deficits, increased costs and taxes, and various attempts to improve communications and cooperation with the Town of Wawarsing. A questionnaire was sent out to 1300 village households (estimated cost between \$500-\$1000) the first week of March asking: "I would like the Village Board to look into the cost, expense and process of dissolving the Village of Ellenville." or "I would not like the..." etc.

In the March 6, 2008, edition of the Ellenville Journal, a survey titled "Should the Village Vanish?" was included, prefaced: "Earlier this year, Ellenville Mayor Jeff Kaplan raised the possibility of dissolving the Village of Ellenville as an attempt to alleviate the tax burden on village residents. We want to know what you think of the idea."

Questions included: "Do you think the Village of Ellenville should dissolve its government? Why?" "Are you concerned that the village's dissolution could raise taxes for town residents?" Other questions involved the issue of post-dissolution policing, department redundancies, and property revaluation.

The Village of Ellenville Board of Trustees, acting on the responses to the survey it sent out, decided to establish a committee to study the pros and cons of dissolution of the Village's government.

At the initiative of the Mayor and the Village Board, a call was put out to volunteers from the Village and Town willing to serve on a Dissolution Committee to be, as described in the Ellenville Journal, "a group whose aim it will be to look into the potential benefits and costs dissolving the village would bring." This was not to be a formal committee of the type required when the Board, or the public (by petition), initiates a formal dissolution inquiry, but, rather, an informal volunteer citizens' advisory group with no authority, resources, mandate, or time frame.

Within the next few weeks, seven members of the community indicated to the Board their interest in serving. At the April 28, 2008, Village Board meeting, all seven were appointed to the Dissolution Study Committee. Although attempts were made to include several residents of Wawarsing outside the village, all but one were Village

residents. As reported in the Journal: "Deputy Mayor Ray Younger volunteered to act as the Village Board's representative, and the Mayor asked that a letter of invitation be sent to Wawarsing's Town Council, asking for a member of the board to join the committee as well. The Village Board agreed to prepare a list of concerns regarding why the village has decided to create a committee, in the hopes that the committee will remain objective and will study the issue from all angles, including the possibility of going in the other direction, creating a city out of Ellenville, an idea that was suggested earlier in the meeting by Trustee Francisco Oliveras."

The seven original members were: Barbara Bright, Carol Distel, Keith Eighmey, Steve Krulick, Stefan Spezio, Manuel Torres, Dennis Warner.

The Committee Meets:

An unofficial get-together meeting was held at Arianna's Restaurant, Sunday, May 18, as not all members knew each other. At this meeting, and through emails, some initial ideas were floated concerning the Committee's scope and procedures. These included:

- an assumption that the Committee could use the Government Center's 4th floor conference room for its meetings;
- the Committee should be independent and not feel constrained in discussions by the presence of Village officials or employees (with the exception of the Board liaison), unless they are invited for questioning purposes, e.g., to be called as witnesses to address specific questions of budgets, labor hours, efficiencies, etc.;
- specifically, the Committee did not want the meetings led or channeled by the village manager or mayor, as this had been mentioned as a possibility, and as this was often the case with Village committees;
- nothing should be seen as possibly crimping the Committee's ability to speak and act freely and bluntly, or make it appear that it was being directed in a particular direction, rather than being an autonomous, objective, and open-minded study taskforce;
- the Committee would not be a "dissolution committee," as that suggests coming up with the means to accomplish dissolution, as if it were a foregone conclusion. At the least, it should be called a "dissolution STUDY committee," or similar. It might be even better to widen the scope to include more options and alternatives, and so have a less emotion-laden name, like "Village Options Taskforce" or "Government Study Committee" or the like;
- meetings would not be open to the general public, or municipal officials or employees, except as noted above, nor would minutes or reports be made public until the entire study had been done and the Committee reviewed all the areas of concern;
- the Committee agreed to maintain confidentiality regarding what was said or opined, so that all, including outside witnesses, would feel free to speak without fear of retribution or castigation.

-- at the initial meeting, members would state their preliminary positions, attitudes, biases, and assumptions regarding the matter of dissolution, so that all cards would be on the table, as it were;

-- the Committee would start with the smaller areas, like court and youth, and work up to more complex departments, culminating with the police department.

The first regular meeting was held May 22 during regular business hours, so that village officials could spell out their understanding of the Committee's purpose and their own expectations. Subsequent meetings were scheduled starting on June 17, with a goal of twice-monthly meetings on Tuesday evenings, being the best available time for most members.

Following the June meeting, a mission statement was prepared. Among the most obvious decisions was to broaden the scope of the committee, or at least change the name to reflect that desire:

"The Ellenville Government Study Committee is a citizens' advisory committee established in 2008 by the Ellenville Village Board.

The Committee has set as its mission:

1) to research, evaluate, and report on the feasibility of dissolving the government of the Village of Ellenville while appropriately maintaining, reducing, and/or consolidating existing services.

2) to propose additional or alternative governmental options for The People of Ellenville to consider.

3) to review current Village government structure, practices, services, and staffing with the goal of suggesting options for improved efficiency and delivery of desired services, and to increase citizen confidence in, and satisfaction with, local government, whatever final path is recommended and followed.

This Committee is to represent the best interests of residents of the Village of Ellenville and Town of Wawarsing, in both financial and quality-of-life considerations."

The Committee chose Mr. Spezio to be the chairperson and take responsibility for notes and external communications. Mr. Krulick established a Yahoo group to improve internal communications.

The Committee requested of the Village relevant documents, established a meeting schedule, assigned each member a department or function of the Village to focus on, and drew up a list of potential witnesses from the Village and Town to interview.

Impediments:

As with all volunteer groups composed of busy individuals, trying to find a day and time that could accommodate everyone's schedule was difficult. Even after selecting the least problematic time for everyone, many meetings lacked a quorum. Indeed, many meetings only comprised three or even just two members. Unable to conduct any meaningful reviews or reach a consensus, these small meetings simply

allowed those attending to get to know each other better, exchange preliminary opinions, and suggest ideas and recommendations to be taken up at future meetings. Few meetings could be convened during the summer of 2008.

After only one or two meetings at which she was present, Barbara Bright ceased attending and eventually indicated she would not continue participating. Attempts to find a replacement were not productive; two qualified candidates were contacted, but declined to serve. The eventual replacement (Dave Winograd) attended one or two meetings, but also had to bow out due to time conflicts.

Requests for copies of previous dissolution studies were fruitless. They were either unavailable or couldn't be located. Members of the previous committees could not be identified, or when found, did not have copies themselves. Only a report by former Village Manager Michael Mills, critiquing a "Consolidation Committee" report, was made available for review, as well as a report on the benefits of Ellenville reconstituting as a city. Mr. Krulick brought copies of various NYCOM and NY State reports and handbooks on the subject of dissolution and consolidation, and the functions of municipalities and duties of officials.

Most frustrating was the eventual disappearance of Mr. Spezio, who left his position at the Ellenville Journal and his local residence to accept a teaching position in Dutchess County. All attempts to contact him by phone and email proved impossible and he never turned over to the committee his notes and opinions, which, as chairperson, represented the most detailed recordings of the earliest series of meetings. Mr. Eighmey also ceased attending regularly from the winter months onward, leaving only four regular members, and it was rare that all four could make any given meeting.

Although some officials were interviewed outside the regular meeting process, useful notes were not usually forthcoming to be reviewed by the other members. Other potential interviewees the Committee considered meeting with were never contacted or didn't get back with scheduling options.

Most meetings lasted two hours and have either focused on specific areas of concern, such as the court system (in which we reviewed spreadsheets from the Village and Town), or the deficit (in which we interviewed the treasurer), and there were overall looks at what appear to be flaws in the structure or lines of responsibility, as well as how decisions get made and implemented.

The Village Board never gave the Committee any specific mandate, guidelines, deadlines, or followed through on the reported commitment "to prepare a list of concerns regarding why the village has decided to create a committee." True, the Committee took it upon itself to broaden its scope and prepare its own mission statement, but the free-floating and open-ended format made it hard to focus or understand what the Village Board expected or to what extent the Committee's work should delve into the range of Village practices, policies, and organization.

Public confusion over important terms, such as "debt," "deficit," "default," "cash shortage," "account transfers," and "bankruptcy," or wildly-varying perceptions by top officials as what percentage of the budget the police department represents, and the sudden leaving of the

village manager followed by the Board's sudden and hasty decision to create a part-time "temporary village manager" position outside the dictates and scope of the Village Code, added to the Committee's frustration level, in the belief that no matter what recommendations were made, the Board would act as they chose to, oblivious to the various structural, procedural, and personality-related concerns the Committee uncovered in the investigation and review process, and the public would maintain inaccurate beliefs about the condition of village finances and its fiscal status.

In a sense, there was a general feeling that events and outside factors impinging on the Village were moving faster than the ability of a deliberative study group to keep pace, and so opinions and recommendations might likely be outdated or even moot by the time a report was filed. That, and a loss of enthusiasm by Committee members as time went on, only added to the frustration and sense of futility and irrelevance. At least, as a strictly volunteer endeavor, there was no cost to the Village for the time spent and work done!

Although the Committee spent much of its time looking at alternatives to dissolution (on the grounds that a simple negative recommendation regarding dissolution would seem incomplete), as well as looking at ways to improve the Village government that might have greater benefit to Village citizens than dissolution in the long run, the length of time that had already passed since the Committee's inception was putting pressure on the Committee to issue some kind of report.

Therefore, the Committee reported to the Board that it had decided to hold the bulk of its research and opinions in abeyance and just focus on the question of dissolution for the time being; should the Board be interested in more details, a later report elaborating on the various recommendations and suggestions could be issued beyond some of the summary highlights included in this report.

Initial Actions and Procedure:

At the first regular closed meeting (i.e., only members attending), Committee members stated their then-current opinions regarding dissolution, and what they expected the Committee to study and consider in drawing a consensus conclusion. The opinions ranged from "dissolution doesn't make sense" to "dissolution seems beneficial," with some members on the fence. Among the "inclined against," Mr. Krulick, a former Ellenville Trustee, and, at the time, a regular columnist for the Ellenville Journal, pointed to two recent columns he'd written on the subject as to his current position. He and all other members agreed that they would withhold final judgment until all the interviews and numbers were in and would maintain objectivity and open-mindedness as the process unfolded.

A meeting format was introduced and agreed to in principal that would: allow for a quick review of previous meetings for those who were absent; take care of old business; introduce the witnesses for that meeting's discussion theme; let the theme leader make a presentation; give each member a chance to add or ask questions; and conclude with an open forum to bring up additional ideas or concerns. The goal was to finish each meeting within two hours.

The Village services and departments were separated into seven groups (themes), to be divided among the seven members. Each member would do an initial review of the assigned group, including interviews with department heads or other appropriate persons. They would then report back to the whole Committee, which would ask more questions or present their own research or opinions regarding that group. If necessary, an interview with the appropriate official or employee before the whole Committee would be arranged for future meetings.

Information was first reviewed as to its bearing on dissolution, if relevant. Then, it was used as a basis to determine if alternatives to dissolution were applicable, such as consolidation of services with Wawarsing or other municipalities. Finally, what the Committee learned was used to discover if there were ways to improve the efficiency or effectiveness of the Village government, or reduce costs or duplication of services or personnel, independent of dissolution.

Part 2: Departments and Services

Village Justice Court:

As a relatively small department, the Committee decided to first tackle the Village Court, in order to establish a procedure before moving on to larger and more complex departments and services. Mrs. Distel met with the Village Court Clerk and was provided with information regarding procedures and costs/revenues.

A full study was done of the Village Court System, including the intake of funds and distributions. The monthly revenue taken in by the Clerk of the Village Court is deposited in an account maintained by the Court and at the end of each month, a report is submitted to the NYS Department of Audit & Control and all funds relating to that report are turned over to the Village Treasurer. After review by the State Comptroller, a breakdown of how the funds are to be distributed (i.e.: State, County, Town, Village) is forwarded to the Court, and the Clerk, in turn, presents same to the Village Treasurer, for disbursement from the funds turned over to the Treasurer and placed in the General Fund.

After meeting with the Court Clerk and the Village Treasurer, and being supplied with all reports and breakdowns of money disbursements and costs to run the Court, it was the consensus to the Committee that at this time the Court was producing enough revenue to make it self-sufficient and, therefore, no benefit, at this time, would be gained by discontinuing the Court and/or trying to combine same with the Town. We could only see the benefit to the Town as they would receive a greater portion of the disbursements. to the detriment of the Village.

Although some discussion arose concerning the logistics of dissolving the Village Court system and subsuming it into the Town Court (with the attendant costs, dealing with the different codes in use, and the possible minor reduction in judges required in a merged court, being the salient points), a review of the costs and revenues quickly showed the Village Court system to be "a wash," that is, it basically paid for itself, and was neither a burden nor significant "income generator" that would justify dismantling it, if the

costs to do so were to be greater than simply continuing in its current form.

Water & Sewer:

Unlike other departments, the Water and Sewer departments are fee-dependent, and their fundings do not come from the general budget. Mr. Krulick met with the then-Sewer Department supervisor for an update on operations and to discuss what dissolution would do to that particular service. (While a Trustee, Mr. Krulick was Board liaison to the Sewer and Water Departments, so he was particularly familiar with their operation and costs.)

The Village Sewer Department is mostly within the confines of the Village; because it does not depend on pressure, as does the water system, there is no possible physical connection with the remote sewer systems in Napanoch or Kerhonkson. Indeed, they operate under different classifications, require different operation modes and operator classes. The Ellenville system is significantly larger, and, should the Village dissolve and the Sewer system become a responsibility of the Town, would represent a major part of a Town sewer system. As the Town would likely be reluctant to take on added responsibility under its own administration, a separate sewer district might be established. However, such a district would require the same number of employees, and the same costs, as the current Village-administered system, except that it would need a new level of bureaucracy and administration, much as the local fire districts now require.

Although there is greater potential for connecting the various water systems in the Town, much the same situation applies as it would for the Sewer Department. That is, the operation of the Water system would likely require the same number of employees, at the same costs, no matter how it was administered, with the added layer of bureaucracy if set up as a special Water District. Further, the Village currently receives revenue for supplying water to town customers outside the Village, a positive revenue flow that would cease with dissolution.

Thus, the Committee could see no benefit to Village residents coming from dissolution as it regards the Water and Sewer Departments and systems.

(Some recommendations for improved efficiency and cost-savings, should dissolution not occur, were discussed and agreed upon, but that lies outside the scope of this report.)

Street:

Of all departments, the Street Department represents the one most easily integrated into an existing Town system, as opposed to needing a separate special district. As the Ulster County town with the most road mileage, the Wawarsing Highway Department has the existing personnel, equipment, and experience to deal with most of the Village's street maintenance needs. (One could argue that Village streets, which often involve curbing, underground wiring and plumbing, and greater traffic, require more subtle treatment and care.) Under dissolution, useful equipment could be transferred to the Town; surplus equipment could be sold off. However, on the assumption that both the Town and the Village departments are not padded, and that all workers are being fully utilized, it doesn't seem likely that there could be any significant

reduction in staff to accomplish the same workload now being met, except, perhaps one or two employees, including a supervisor. And even that is questionable, as it would be more likely that the current Village Street Department head would logically become the Town Deputy Highway Superintendent in charge of Village streets!

Again, in terms of personnel, equipment, and material, the same basic work would have to be done, so cost savings would be minimal, if at all, particularly after dissolution costs are factored in. The Committee's consensus is that improved cooperation and possible areas of consolidation can accomplish as much or more in terms of improved efficiency and cost-savings without the expense of dissolution.

Building & Code Enforcement:

When a village dissolves, there is a transition period of several years during which existing zoning codes remain in place. During that period, it's assumed the Ellenville Code Enforcement Department will be unchanged in function and size if the same level of service is to be provided, although they would likely become a part of the Town Building Department (again, as with the Street Department, a special district bureaucracy seems unnecessary and superfluous; it is not known if the existing Village Planning Board and Zoning Board of Appeals would remain during the transition, but, fortunately, those are volunteer positions, so the cost is minimal, if any.). During that period, the Town zoning code will have to be revised to incorporate the zones of the Village to maintain the appropriate density, safety, health, and appearance provisions that make village-density living acceptable to its residents. Current Town zoning simply doesn't contemplate that level of detail. Of course, the Town could simply choose to reduce the complexity of the new hamlet's zoning classes, reduce enforcement, and cut back significantly on the department or services, to reduce the cost to Town taxpayers outside Ellenville (who outnumber Ellenville taxpayers and voters), much to the detriment of the hamlet of Ellenville. (This ability of the Town to outvote Ellenville residents represents an entire argument against dissolution, to be addressed later.)

Although the current economic climate has reduced new construction, and somewhat reduced major remodeling projects, the Village's Building Department has been, in recent years, a significant revenue generator, in terms of permit fees and fines. For the Village to dilute these revenues across the Town would hardly benefit the residents of Ellenville proper, and initial review of any potential cost savings do not seem justified when the costs of dissolution are factored in.

Youth Programs:

The Village has maintained an active program for its youth, even though this is not considered one of the five basic services of village government, as outlined by the Mayor. Indeed, over the years, the Village has paid a disproportionate share of the cost of maintaining the various parts of the youth program, including the Ellenville (and Kerhonkson) pool, the summer recreation programs, and the year-round after-school programming, even though a large percentage of the children using the programs are from outside the Village. In many other similar multiple-municipality locations, the youth or recreation aspects are

solely the responsibility of the town, or perhaps the school district. In our area, the Village, the Town, and the School District have come together in a productive, but sometimes unbalanced or even contentious partnership, with disputes over fair distribution of costs, responsibilities, and leadership. To further complicate the issue, the three entities have a joint Youth Commission, to which each sends two representatives (the Village and Town each appoint a board liaison and a citizen rep; the School has routinely appointed two teachers), and a contractual arrangement with the YMCA of Kingston and Ulster County which administers the actual operation of the various programs.

In the past few years, the Y has been given greater direct responsibility for the programming, as the Village has been trying “to get out of the youth program business,” as the Mayor has stated. Indeed, the current plan is move more of the cost-bearing to the Town, and more of the administration to the Y, until the Village merely contributes a small portion of the annual budget proportionate to its size. Discussions about the Y taking over the entire community recreation function have been on and off for years, and would take most of the responsibilities out of government hands and, except for any municipal subsidies, particularly for low-income youth, the system would be more fee-based, more family-oriented, and more consistent with similar Y programs elsewhere.

Dissolution would clearly put the burden for youth and recreation programs in the Town’s hands, in conjunction with the School District, and, to the extent desired, the YMCA. However, as noted, a more fair and proportionate funding, or even a total removal from the government realm, is possible without the cost and complexity of dissolution.

Police Department:

The Committee reserved the review of the Village Police Department for the last, as it is the largest single part of the general budget, and the biggest question mark. Indeed, ask the Police Chief and the Mayor or any other official what percentage of the Village budget the EPD represents, and you will likely get as many different answers! A simple look at the budget suggests it is roughly one-third of the total expenses per year, to which the Chief concurs, but, at a public meeting, the Mayor opined that it was closer to half. Some even claim it’s closer to two-thirds, and that may indeed be the general public perception, as the EPD is certainly one of the most visible parts of the Village government.

The Ellenville Police Department is thus a prominent lightning rod and target, particularly among those who are for dissolution, and who see the current EPD as too big and costly for a small village, or even unnecessary, as nearby hamlets (and even the entire Town of Wawarsing and other nearby towns) have no police departments, but claim to be sufficiently serviced by the Ulster County Sheriff’s Department and the NY State Troopers.

A review of the monthly EPD reports show thousands of incidents, actions, service calls, interventions, investigations, etc., each month within the Village (and, to an increasing degree, outside the Village, as reciprocity agreements with other agencies are implemented). It is hard to imagine how this number of calls could be handled by a

non-local agency with limited vehicles and officers in this section of the county, and without the same level of knowledge of local conditions, circumstances, and individuals gained over the years by the EPD. Indeed, the general consensus, based on individual research by Committee members and surveys such as the Journal’s, is that most Village residents would be loathe to give up their Police Department and the services and security they provide.

As there is no Town police department, dissolution would leave Ellenville without a police department. The Town could create a town-wide department, but this goes against everything the Town has indicated it desires, and there is no known instance of a demand from town residents outside the Village, or from any Town Council, to actively move to create a Town police force. There would be no requirement that the Town create a Town Police Department, or even maintain the Ellenville Police! And the Ellenville residents lack the votes to impose such a demand on the Town.

The best the current residents of the Village could hope for, other than increased coverage by the County Sheriff or State Troopers (unlikely in this economic climate), is to create a separate police district, either identical in size to the current Village, or, perhaps slightly larger, to incorporate hotels, or possibly the hospital or other businesses or areas seeking more local police protection than now exists. As with the fire districts, and the previously-mentioned special districts for water, sewer, etc. that dissolution might require, it is hard to see how the same level of desired coverage could be maintained except for comparable costs in personnel, equipment, and other operational expenses.

As it is, much of the Department’s new equipment over the past few years has been funded or heavily subsidized by grants, and the EPD has been efficient at keeping costs in check, or even reducing their annual expenses, when inflation is figured in. Mr. Torres did an extensive review of the EPD and interviewed the Chief and other officers; in addition, the Chief was interviewed at a regular Committee meeting. An analysis of the Department found little in the way of non-essential fat to trim, unless the community was willing to see a significant reduction in coverage and services offered, or unless they were willing to support a volunteer constabulary component, along the lines of the volunteer fire departments, to pick up the difference in coverage.

The main concern with dissolution in regards to a police force is the uncertainty. There is no guarantee that the Town would choose to maintain a strictly-Ellenville-based police force for the unincorporated hamlet, to be paid for by all Town taxpayers; indeed, it is unlikely, as is the creation of a Town Police Force, if one hasn’t been created to date. And the creation of a Police District, unless it encompasses a larger area than the current Village, would likely cost as much or more as a Village Department, with the added layer of bureaucracy, as mentioned for other departments.

Impact on Departments and Services:

When one looks at each of the component departments of the Village, and the level of services they provide, it is hard to see how dissolution would significantly improve the quality of life of the average resident. Costs and complexity would remain comparable or increase if one were to

maintain the same level of service provided by one centralized administration accountable to the voters of the Village. To what extent more of the costs would be shifted to Town taxpayers is uncertain; it is unknown to what extent Town taxpayers would be willing to maintain current levels of service for one hamlet they can consistently outvote. Further, as there has been no revaluation of Town properties in anyone's memory, whereas the Village assessments have been more reflective of current values, it is hard to say that Ellenville taxpayers won't still pay an unequal and disproportionate share of Town taxes for even lesser return in services.

Without a clear understanding of where a hamlet of Ellenville would fit in the plans and priorities of the Town of Wawarsing, dissolution, even without considering the up-front and ongoing costs (Ellenville debts will still have to be paid off only by Ellenville residents!), would be a clear case of jumping from the Village frying pan into an uncertain Town fire.

Part 3: Considerations & Conclusions

Although the EGSC lacked the resources and funding to do a more-thorough cost analysis, what we did do – a department-by-department review, budget review, and interviews with relevant parties – soon confirmed what many already suspected, and what other villages discovered after similar, or even more extensive (and expensive) studies:

The presumed savings some believe would come from dissolution are simply not there... unless you eliminate desired services that Village residents have repeatedly said they want! And as the availability of these services is why the Village exists as a separate municipality in the first place, to go through an expensive and time-consuming process, with no guarantee that Ellenville residents would retain those services, or that they would become dependent on a less-responsive government, the majority of whose voters live outside Ellenville, or that a multitude of special districts, each with their own bureaucratic administration, would be required to maintain said services, seems, at best, a fiscal “wash,” and, at worst, a surrender of local sovereignty for Ellenville residents, or creation of even more government bodies to accomplish what one village administration now handles, with no savings, and possible increased costs.

For example, and the most serious unknown, if the Village were to dissolve, there would be no requirement that the Town Council maintain the Village police, or expand it Town-wide; past experience is that they wouldn't put Village concerns up front, and they have consistently shown no interest in a Town police force. Turning things over to the Town is not a real solution, only a passing of the buck to an entity that has shown no superior ability to wisely address issues of planning, resources, or use of funds. Going from the frying pan into the fire isn't an improvement.

So, to maintain the level of services now enjoyed, the Village would likely have to create its own police district, and likely a water district, sewer district, code enforcement district, etc., so now Ellenville residents would have to maintain several bureaucracies instead of just one. And that would require roughly the same number of workers to do

the same work, whether as separate districts or as part of the Town workforce, unless one believes that current Village employees are not now doing a full workload. Common sense and a review of the budget shows little if any savings would be realized when all is said and done.

A parallel question might be: what benefits do Village taxpayers get from the Town for all the taxes they pay to Wawarsing? Ellenville might be better off as a *City* and unhooking from Town assessments and expenses, as well as getting to keep its own sales tax and have greater home rule, same as Kingston now enjoys.

What Initiating Dissolution Entails:

The mere legal and accounting process of dissolution itself will cost many hundreds of thousands of dollars and years of legal and financial unraveling to implement, as all the current debts and assets have to be resolved (they can't be just passed onto the town, as some believe), there has to be a transition time for dealing with zoning codes and local laws; every study to date shows NO real savings in money to taxpayers after all that effort and wrenching.

Under existing law, dissolution may be brought about either by a petition of the residents of the Village or by motion of the Board of Trustees. In either case, dissolution must be accomplished by a referendum. Also, there must be a plan of dissolution prepared in advance of the referendum which would provide for the assets and debts of the municipality to be transferred to the Town government. (The Town has no choice as to whether or not they would accept dissolution.) If a petition is submitted, the Board of Trustees must have time to complete the dissolution plan. (The law does not provide a timetable for the plan to be completed.)

Should the Village Board decide to move forward with a proposal for dissolution, or should a sufficient number of Village citizens petition to move forward with a proposal for dissolution, the first step would be for the Board to initiate a MANDATED study, as opposed to the ADVISORY study that resulted from the creation of the all-volunteer Ellenville Government Study Committee.

Such a mandated study would be even more time-consuming and costly, and may still recommend that dissolution is not the panacea some think it is, but will be expensive to undertake, and result in minimal, if any, savings to taxpayers, with the need to create multiple districts, with multiple bureaucracies, where ONE village government had sufficed.

Only after the report is done, and the costs and disposition of debts, assets, need to maintain services, etc., are spelled out in detail, can THAT proposal be put up for a vote. That there have been so few approved and completed dissolutions over the years suggests that the benefits have been greatly oversold by those who want to stand on their personal agendas and assumptions, rather than look at the realities and think things through to their logical conclusion.

Study Committee, Dissolution Report, Public Hearing:

Before a proposed Village dissolution may be put to a vote of the Village residents, the Village Board of Trustees must appoint an official, mandatory study committee to develop both a plan for Village dissolution and a dissolution report.

The Study Committee must include at least two representatives of the Town in which the Village is situated. The Committee must issue its plan and report to the Village Board of Trustees within the time period established by the Board. Once completed, a copy of the report must be sent to the Supervisor of the Town in which the Village is situated.

The report must address all of the topics included in a plan for dissolution as well as alternatives to dissolution.

The Village Dissolution Plan must address:

- * How Village-owned property will be disposed;
- * How outstanding Village obligations will be paid, including how taxes and assessments will be levied and collected;
- * The transferring or terminating of Village employees;
- * How the Town agrees to carry out the Dissolution Plan;
- * Whether any Village local laws, ordinances, rules or regulations in effect on the date of the Village dissolution will remain in effect for a period of time other than as provided by the Village Law;
- * If and how Village functions or services will be continued by the Town;
- * The fiscal impact of Village dissolution; and
- * Any other matters desirable or necessary to carry out the dissolution.

Prior to submitting the report to the Village Board of Trustees, the Study Committee must hold a public hearing on the report, notice of which must be published in the official newspapers of the Village and Town at least 20 days prior to the date of the hearing.

After the public hearing, the Study Committee must present the plan and report to the Village Board of Trustees.

Prior to the proposition being voted on by the Village residents, the Board of Trustees must conduct a public hearing on the proposed dissolution. Notice of the public hearing must be published in the Village's official newspaper between 10 and 20 days before the hearing. Upon adoption by the Board of Trustees of the resolution, the proposition and plan must be mailed by certified or registered mail to the Supervisor of the Town in which the Village is situated and published in full in the Village's official newspaper.

(Now, the MUST-study-committee is required AFTER the dissolution process has been OFFICIALLY initiated by the Board itself or the petition of one-third of eligible voters voting in the previous general election in the Village.

OUR current committee was NOT such an "official" committee, as it was just an ADVISORY committee to LOOK AT the potential for dissolution, and NOT part of a started process that sets off the steps as listed below. Nor did it have the resources, funding, or expertise to prepare a complete and authoritative report and plan.)

But most critically, the "proposition" CAN'T be put to a vote UNTIL there is a Village Dissolution Plan.

Every dissolution must be accompanied by a formal dissolution plan. This is required by Article 19 of the Village Law. The responsibility for preparation of the plan rests upon the shoulders of the Board of Trustees, regardless of how the question was initiated. Dissolution plans must outline how former Village property will be disposed and the manner in which outstanding obligations will be met. In addition, it is advisable that the plan include any other matters or issues that the Board of Trustees feels will facilitate the public's understanding of the overall impact of the dissolution, such as how services will be continued, which services (if any) will be discontinued, and the effect that dissolution will have on current laws and ordinances.

The manner in which the dissolution plan must be prepared is very precise, and each step must be followed to the letter, without exception. However, the plan is not intended to be a "contract" between the Village and Town. Rather, it is a document designed to be used by Village residents to provide insight regarding what might possibly occur (services, finances) after dissolution. The dissolution plan should outline how Village functions can and will be transferred to the town and should account for the disposition of debt, obligations, or taxes. Once complete, the plan should provide all residents with some idea, incomplete though it may be, of what the tangible effects of the dissolution will be.

The Village Board of Trustees must complete the dissolution plan even if the residents have petitioned for dissolution. There is no timetable by which the plan must be completed. The plan must contain details on how Village-owned real property and equipment will be disposed of, how debts incurred by the Village will be paid and anything else the board feels is necessary.

After the Board publishes the plan in full, the proposition is placed on the ballot at the next general or special election for Village officers. A public hearing needs to be held 30-60 days before the election. The election has to be more than thirty days from the date the petition was submitted.

Summary Flowchart for Dissolution:

- Board adopts resolution on its own or petition with signatures of one-third of eligible local voters;
- Study committee and develop plan;
- Board adopts resolution with proposition for dissolution and plan (no specific time period between petition and adoption of resolution);
- Resolution and plan published in full in newspaper;
- Notice for public hearing on 10-20 days notice;
- Public hearing at least 30-60 days before election;
- Proposition and plan submitted at election held at least thirty days after petition was originally submitted and at next election for village officers.

IF approved by majority vote, effective Dec 31 of year AFTER election

IF disapproved, cannot be submitted for another two years.

APPENDIX

Article from NYCOM General Counsel Wade Beltramo:

A most informative and illuminating article on village dissolution was written by Wade Beltramo, NYCOM General Counsel, for the May-June 2008 issue of the NYCOM Bulletin. (Some of the material in the above section on dissolution procedure was taken from this article.)

The entire article can be found at:

<http://villageoftully.org/content/Generic/View/2:field=documents;/content/Documents/File/28.pdf>

Although it deals in general principles and circumstances, any village contemplating dissolution would be wise to review it and take its recommendations to heart:

“This article will describe the village dissolution process and identify issues that village officials need to be aware of in order to avoid costly dissolution studies that waste the time and effort of village officials and cost the taxpayers money...

VILLAGE DISSOLUTION: UNDERSTANDING THE COSTS AND BENEFITS

Local Government Consolidation.

Few words are bandied about more these days in the halls of New York's capital.

Lawmakers, newspaper editorial boards, and state commissions are all preaching about how New York has too many local government entities. New York's high property taxes and the perceived inefficiencies and redundancies in providing local government services are generally the impetus for these calls for local government consolidation, discussion of which invariably turns to village dissolution.

Many people question, “Why do we need villages when we have towns?” Unfortunately, this question is often the result of a lack of understanding of the differences between villages and towns, particularly in how they function and the services that they provide. Generally, even the smallest of villages is characterized by a more densely populated area than the surrounding towns. In addition, the village provides services such as water, sewer, police, fire, lighting, and sidewalk maintenance which the towns generally do not. Thus, village dissolutions usually require multiple special improvement districts to be formed to provide the same services that one village previously provided.

And while there may be some villages in New York for which dissolution may marginally increase efficiency, for most villages, dissolution will not necessarily result in a significant increase in efficiency or lower costs. Even in those instances in which village costs may be lowered, the question has to be answered: how much do village residents value their autonomy, self-governance, and their ability to control their own local laws, particularly zoning and other land use regulations?

Unfortunately, many villages and taxpayers are being put through the expensive, time-consuming dissolution process as a result of a few residents circulating dissolution petitions, with relatively few villages choosing to dissolve.

In 2006, the Village of Wellsville went through the dissolution process, ultimately voting down a proposition to dissolve the village. In January 2007, the Village of Windsor voluntarily formed a committee to study dissolving the village.

Although Windsor's study committee found that dissolving the village would result in nominal savings for village taxpayers, it nonetheless recommended that the village not dissolve because the cost-savings were insufficient to justify the village residents' loss of local control. And in March 2008 alone, three villages actually had dissolution propositions on their ballots. After spending months of staff time and thousands of taxpayer dollars developing dissolution plans and reports, the residents of the Villages of Macedon and Speculator rejected village dissolution, while the residents of the Village of Pike voted to dissolve the village effective December 31, 2009.

In most instances, propositions for village dissolution are voted down because the dissolution plan reveals that village dissolution will not achieve the significant cost savings that the dissolution proponents assumed. However, this lack of cost savings is frequently not realized until after the village dissolution study is completed. In addition, the relatively minor cost-savings are deemed not worth the diminution of village residents' voting power regarding “village” issues.

In contrast to village dissolution efforts, the desire among New Yorkers to exercise local control is evidenced by the creation of three villages in New York in the last three years alone: the Villages of Sagaponack (2005), South Blooming Grove (2006), and Woodbury (2006).

CONCLUSION

Proponents of village dissolution frequently assume that there are great efficiencies and cost-savings to be achieved through dissolving New York's villages. The reality is, however, that most of New York's village residents would not necessarily see significant reductions in their property taxes. Ironically, many individuals seeking a reduction in local property taxes actually contribute to higher property taxes by forcing villages to undertake costly and time-consuming dissolution studies, which are paid for by the village's property owners. Thus, before the village dissolution process is started, village officials may wish to look at alternative methods of improving service and cutting costs, such as through intermunicipal cooperation.