


**Facts about Dissolution**

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Interim Treasurer  
Village of Brockport



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***Information presented is generic in nature and is not specific to the Village of Brockport***



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**Resources**

- General Municipal Law 750(13)
- The New N.Y. Government Reorganization and Citizen Empowerment Act - June 2009
- Guide to Local Government Consolidation and Dissolution Under General Municipal Law Article 17-A
- PowerPoint - "Special Forum on Consolidation/Dissolution"- presented 1/21/10



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**Dissolution**

The termination of the existence of a local government entity.



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**What is Likely to Occur?**

Each village dissolution is **UNIQUE**



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**Resulting Efficiencies**

Proponents of village dissolution often contend that dissolving a village will result in significant cost-savings.

**Such description is MISLEADING**



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**Resulting Efficiencies-continued**

Villages are an inherently unnecessary layer of government that duplicate the services provided by towns.

**The vast majority of villages are urban (densely populated) in nature and have different service cost-structures than the towns in which they are located.**



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**Resulting Efficiencies**

Studies that have been conducted to date have shown that efficiencies resulting from village dissolution run in the area of only 2% to 5% because towns and villages run relatively efficient operations and most villages are frequently engaged in inter-municipal agreements



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**Resulting Efficiencies**

Dissolution studies generally provide for the creation of, on average, more than four special districts for the town to hire much of the village staff to continue to provide the services that the village provides.

**Communities should not expect to see tremendous savings or improvements in service because of improved efficiencies resulting from village dissolution.**



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**Reduction in Taxes**

Village residents are likely to see a reduction in their taxes as a result of village dissolution.

The source of reduction in property taxes comes not from any increased efficiencies or elimination of the duplication of services but predominantly from village residents no longer subsidizing town operations. In other words, dissolution frequently corrects the inequity of Village residents paying town taxes for town services not provided within the boundaries of the Village.



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It is important to note that town residents who live outside of the village may see their taxes increase as a result of village dissolution.



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**Quality of Service**

There is no evidence that village dissolutions in general result in any improvement in the quality of the services provided to either village residents or residents of the town outside of the village



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### State Aid

- Additional AIM Funding is available to towns in which the village is located - it is equal to 15% of the combined town and village tax levy.
- This aid is structured as "permanent" but is subject to annual appropriation in the State Budget
- The use of this aid is up to the town



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### Establishing Districts

- On average, every village dissolution results in the creation of over four town special districts
- Planning to form a special district solely for the village residents or to join an existing town special district must be carefully considered
- Generally speaking, providing services in New York's villages are lower cost than providing the same level of service to the less densely populated areas of the town outside of the village



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### Village of North Collins-Example

- Refuse Collection
- Village residents pay \$144 per year for refuse collection; town outside of the village pay \$192 per year
- Dissolution plan proposed the creation of one town special district with a resulting user charge of \$173, a 19% increase for village residents; a 9.9% decrease for the town



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**Consequently, it must be carefully examined how services are to be provided should the dissolution occur**



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**Village Employees and Labor Contracts**

- This is one of the most confusing and contentious issues surrounding village dissolution.
- Under many village dissolution plans, the town agrees to hire most of the village employees to continue to perform the same jobs they were performing prior to the village dissolution.



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**Village Employees and Labor Contracts - continued**

- The town is under no obligation to hire the village employees
- Even if the town does agree to hire village employees, it is not bound by any of the village's union contracts.



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**Village Employees and Labor Contracts-continued**

- It must be stressed that it is important to address the issue of job continuity for village employees early on in the dissolution process
- The prospect of the village ceasing to exist will invariably cause employees to question the security of their jobs and to seek other potential employment



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**Binding the Town to the Dissolution Plan**

- It is often questioned if the town in which the village is located will be bound by the dissolution plan and any agreement the town makes with the village prior to the dissolution's effective date.
- Because such agreements are governmental in nature and because the common law doctrine that a governing board operating in its governmental or legislative capacity may not bind a successor board, town agreements to continue to provide services are NOT binding.



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**Should the village dissolve, residents of the former village will have to rely on the political process to address any issues regarding the providing of services.**



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### Impact of the Vote for Dissolution

- If the vote for dissolution passes by the electors it will require a petition to be filed with the village clerk not later than 45 days after final approval of the dissolution plan to call for elector vote on the plan
- This petition to vote for/or against the plan must contain signatures of at least 25 % of the electors
- If voted yes, the plan takes effect on the effective date
- If voted no, the dissolution does not take effect




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### Questions to be asked

- Do we have the answers to the questions necessary to be asked?
- Are the village employees going to have jobs?
- Do we know what it will cost to have special districts for the services we currently have?
- What will happen to our current municipal agreements?
- Will there really be a reduction in taxes should the special districts be formed?




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### Questions to be asked-continued

- Is reduction in service what you are looking for? If so, have you addressed this with the current board?
- If you want the Village to dissolve, should we ask the board to look at the options prior to deciding to dissolve the village?
- What will be done with the additional state aid received by the town?




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