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Village of Prospect Dissolution Proposed Dissolution Plan

April, 2015

Prepared for
Village of Prospect

Prepared by
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DRAFT: Recommendations and
Proposals prepared by the Prospect
Dissolution Study Committee for the
Prospect Village Board



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DRAFT Dissolution Plan

Background

The Prospect Village Board appointed a Dissolution Study Committee on May 12, 2014 for the purposes of assisting the Board in selecting a consultant and advising the Board on the preparation of a Dissolution Study, Plan and Alternatives to Dissolution for the Village of Prospect. The Dissolution Study Committee (DSC) is comprised of:

1. Mary Zacek, Village Council Member, DSC Chair
2. Steven Godfrey, Trenton Town Board Member
3. Lenore Lampert, Village resident
4. Theresa (Penny) Mann, Village resident
5. Kevin Pinkos, Village resident and business owner

The DSC assisted the Village Board in developing a Request for Proposal for consultant services to help prepare a Village of Prospect Dissolution Study, Plan and Alternatives to Dissolution. On June 17, 2014 the Village Board engaged the services of CGR, Inc. to help prepare these documents. Over the past 8 months the DSC has worked with CGR to prepare these documents for the consideration of the public and Village Board. This document represents the recommendations and proposals prepared by the DSC and CGR for the Village Board. The Village Board has voted to present this Plan to the Village electors for consideration, and will hold a public hearing **at the Bethel Baptist Gym/Community Room at 7 p.m.** on May 18, 2015 to solicit public input. After that, the Village Board will make a final decision on whether to present a proposition on the proposed Dissolution Plan to the Village electors, or ending the Board-initiated dissolution process.

Residents are also encouraged to review the Village of Prospect Study and Alternatives to Dissolution documents which have also been prepared and may be reviewed at the following locations:

- On line at <https://www.cgr.org/prospect/>
- The Village of Prospect Village Hall, 116 Upper State St., on Mondays & Wednesdays 10 AM - 2 PM or other hours by appointment through the Village Clerk.
- The Prospect Free Library, 915 Trenton Falls St, open 4 PM – 7PM on Mondays, 2 PM – 7 PM on Tuesdays, 10 AM – 12 PM and 6 PM – 8 PM on Wednesdays, 2 PM – 8PM on Thursdays, 1 PM – 3PM on Fridays, and 10 AM – 12 PM on Saturdays.

The Dissolution Study Committee endorses the following Dissolution Plan and presents this to the Village Board for their action, and recommends that the Village Board put forth to the residents of the Village a referendum on the question of – “Should the Village of Prospect dissolve effective January 1, 2016; yes or no”.

Plan for Elected and Appointed Officials and Employees

Currently, the village of Prospect has one mayor, four trustees, a clerk/treasurer, a water superintendent, a historian, a deputy clerk, a Zoning Board of Appeals chair, and two ZBA members.

Should the referendum result be in favor of dissolution of the Village of Prospect, the elected positions of Mayor, four Trustees and Clerk/Treasurer would be eliminated upon dissolution. The appointed positions of Water Superintendent, Village Historian, Deputy Clerk and Zoning Board of Appeals chair and two members would also cease to exist. These functions would be assumed by the Town of Trenton, which would have the responsibility to staff them as conditions required.

The DSC recommends that the Village Historian work with the Town Historian and Oneida County Historical Society on the transfer of Village of Prospect historical records to the Trenton Town Historian and the Village Museum artifacts to the Oneida County Historical Society. Consideration should also be to a means of displaying the Village museum artifacts locally, perhaps in the Prospect Library.

The functions of the Village Zoning Board of Appeals would be carried out by the Trenton Zoning Board of Appeals.

Plan for Village of Prospect Assets

Prospect’s real property assets include the municipal building, the library, ambulance garage, former Village Fire Hall plus undeveloped wooded acreage. A cell tower and the water system are located on this land. Estimates of the value of these assets range from \$215,000 to \$330,000.

Should the referendum result in favor of dissolution, the DSC recommends the following:

- The following assets should be sold for the best price possible and the proceeds used to defray the village's obligation to the Oneida County Self-Insurance Plan:
 - Village Municipal Building
 - Library Building
 - Ambulance Building
 - Woodlot, including cell tower and lease (excluding lands required for operation of the water system; remaining lands to be transferred with deed restrictions sufficient for wellhead protection)

- The former Village Fire Hall is on property bequeathed by Howard Thomas held in trust for the "Thomas Memorial Fund for the Education of Prospect Youth" and cannot be sold. The DSC recommends that this property be conveyed to the Town of Trenton upon dissolution and that the Town explore options for the structure to be used for first responder and emergency services. In particular, if there can be any use of the building by the Trenton Joint Fire District, such use should be allowed, to help ensure reductions in OSI rating for fire insurance for former village residents.

The Village of Prospect has several parks, including Memorial Field, Union Park, the Village Green and a Skating park, which the DSC recommends be conveyed to the Town as dedicated park lands. The Village also owns an open lot at the intersection of Church and Academy Streets that the DSC recommends be conveyed to the Town as a public parking lot.

Any fund balances as of December 31, 2015 will be devoted to paying of outstanding debts.

The Village of Prospect administers the Thomas Memorial Fund for the Education of Prospect Youth and the Mildred Usher Memorial Scholarship Fund. The fund has been supported from revenues for the lease of property held in trust for the fund (e.g. the former Village Fire Hall). With the dissolution of the Village Fire Department there is no longer any lease revenues from the property. The Town is not likely to charge any lease for use of the building by first responders and emergency services since there will be other benefits to former Village residents.

Plan for Water, Lights and Sidewalks

The Village of Prospect provides services related to their public water supply system, street lighting and sidewalks. As a Village government they can provide these services as part of their general purpose powers of Government. The Village does, however, separate accounts for water services. The Town of Trenton, however, as a town government can only provide for these same services through Special Improvement Districts.

Should the referendum result in favor of dissolution, the DSC recommends the following:

- The Town of Trenton commence the preparation of a Map, Plan and Report for the establishment of a Prospect Water District. The water district will be slightly larger than the incorporated limits of the Village in that there are several outside Village connections currently to the water system. The DSC does not anticipate that water district rates would vary from current water rates as they presently are ample to support both system operations and maintenance and debt service.
- The Town of Trenton commence the preparation of a Map, Plan and Report for the establishment of a Prospect Lighting District. The lighting district will be slightly smaller than the incorporated limits of the Village in that there are several areas of the Village without street lights. The Village's Dissolution Study estimates that the mil rate for the lighting district would be \$.89/\$1,000 of assessed valuation.
- The DSC does not recommend the establishment of a sidewalk district for the future maintenance, repair and extension of sidewalks. Instead, the Town should adopt a local law placing the responsibility and liability for sidewalks on property owners. Property owners with sidewalks along their property would be responsible to maintain or remove sidewalks and would assume all liability associated with them.

Plan for Prospect Debt District

As a result of the Workers' Compensation claims made against Prospect in recent years, the payouts made by the Oneida County Self-Insurance Plan on Prospect's behalf, and the village's planned withdrawal from the Plan at the end of 2015, Prospect currently has a substantial obligation to the Plan, which can be split into two parts. For the amount already paid out by the Plan on Prospect's behalf, the village will owe approximately \$335,400, and for the liability associated with the outstanding medical claim, the village will owe approximately \$198,900, for a total of \$534,300.

Should the referendum result be in favor of dissolution, the DSC recommends the following:

- The Town of Trenton commence the preparation of a Map, Plan, and Report for the creation of a Prospect Debt District, contiguous with the incorporated limits of the village.
- The village sell all possible assets before the effective dissolution date, and the proceeds of those sales be combined with any remaining fund balance to pay down the obligation to Oneida County as much as possible.
- The remainder of the obligation be borrowed, and the principal and interest on that borrowed amount be paid back by the residents of the debt district over the next 10 years. Oneida County has indicated a potential willingness to finance the debt, but if they do not, the money would be borrowed from a private lender.

Plan for Existing Village Local Laws

Several Prospect laws do not have analogues in Trenton law, and will only remain in effect for two years after dissolution. The DSC recommends that the town Board make the following laws permanent Town Laws:

- "Village Water System Protection," – prohibiting any recreational activities or trespassing on Water System grounds
- "Prohibition of Outdoor Wood-Burning Furnaces," – prohibiting outdoor wood burning furnaces in what would then be the Hamlet of Prospect.
- "Prohibition of Water System Cross Connections." – prohibiting unprotected cross connections between private water supplies and the Prospect water system.
- Amending the Trenton Town Zoning Law and Map to incorporate in whole the Village zoning district and map as prescribed for the former Village area.

Plan for Costs Associated with Dissolution

There invariably will be costs associated with dissolution of the Village of Prospect. These costs, however, would be eligible to be covered in a subsequent Local Government Efficiency grant from the State of New York. Both the Village and Town can apply for the grant, and any costs associated with this stage of reimbursement are eligible for up to 90% reimbursement. It is estimated that both the Village and Town will have approximately \$50,000 eligible for such a grant.

For the Village, the DSC estimates dissolution plan implementation costs to be around:

- \$20,000 to \$30,000 in fees related to the disposition of assets, including appraisals, closing costs, and legal fees for the review of asset transactions
- \$10,000 to \$15,000 in financial audit and determination of fund balances and surplus funds to be applied to outstanding debt
- \$10,000 to \$15,000 contingency

For the Town, the DSC estimates dissolution plan implementation costs to be around:

- \$25,000 to \$35,000 for the preparation of maps, plans and reports associated to the Water and Lighting districts.
- \$10,000 to \$15,000 in legal fees for local law changes and district formation.
- \$5,000 to \$10,000 contingency.

Schedule, Meetings and Hearings for Village Dissolution

Attached to this plan is a complete schedule of the DSC since commencement of the Board Initiated Dissolution Process in April 2014 through December 31, 2015. The scheduled public hearings and referendums are as follows:

April 13, 2015: DSC presents the Draft Dissolution Study, Plan, and Alternatives to Dissolution to the village Board.

May 18, 2015: Public hearing on the Dissolution Plan, Former Fire Hall, 7 PM.

July 21, 2015: Referendum on question of dissolving Prospect

The proposed dissolution would be effective on January 1, 2016.

Prospect Property Map

