Frequently Asked Questions ("FAQ") Regarding the Public Hearing for the Combined Petition for Incorporation and Consolidation

March 27, 2019 Howard Protter, Esq. and Marissa Weiss, Esq. Jacobowitz and Gubits, LLP

THE PROCESS

1. Now that the petitions are filed, what are the next steps in the process and what is the likely timetable?

The petition was filed on February 25, 2019 and the signatures were verified by the Tuxedo Town Clerk on March 5, 2019. At the March 11 Town Board meeting, the Town Board enacted a resolution calling for a public hearing on April 1, 2019.

After the public hearing is held, the next step is for the Town Board to enact a resolution calling for the dual referendum vote and setting a date for the vote. The referendum vote must occur within 60 to 90 days after the resolution.

After the vote (assuming both votes pass—see answer to Questions # 4 and 7 for more detail), the Town Clerk must immediately file a "Certificate of Election" with the Secretary of State, the Town Clerk's own office, and the Orange County Clerk's office. The Certificate of Election will certify the results of the dual vote. After 10 but within 15 days of the filing of the Certificate of Election, the Town Clerk must then file a "Report of Incorporation" with State and local entities.

The remaining procedural steps are detailed in a timeline format, which was previously submitted to the Town. For convenience, the timeline has been attached to this "Public Hearing FAQ." The attached timeline includes mandatory dates for completion of each procedural step. That being said, this is an open-ended process that can move as quickly or as slowly—within the mandatory statutory confines—as necessary.

2. How many days are required to schedule the referendum and how will the public be notified?

The Town Board must first enact a resolution calling for a dual referendum and setting a date for the vote. The referendum must be held within 60 to 90 days after the resolution is enacted. The public will be notified by public notice in the official newspaper, press releases to other media, email blast to those registered on the town website, notices posted in the library, Town and Village of Tuxedo Park Clerk's office, and first class mail where addresses are available.

3. What are the boundary lines of the new village and how were they determined?

The new village will include *roughly* the same boundaries as the Town of Tuxedo. Because the Village of Tuxedo Park exists within the existing Town of Tuxedo (to simplify, think of Tuxedo Park as the "hole" within the "donut" of the Town of Tuxedo), the existing Town and newly created Village will not include *exactly* the same boundaries as a typical coterminous town-village (see answer to Question #5 below for more detail). The newly created village will follow the procedures outlined in Village Law § 2-200, which allows the incorporation area to be coterminous with the entire boundary of the Town refuse district pursuant to § 2-200(1)(b). This is why this Petition asks to create a "consolidated town-village," instead of a "coterminous town-village." Regardless of terminology, the idea behind the procedure remains the same.

4. If the voters approve of the referendum how soon does the new village go into effect? Exactly how does the town "flip" from the new village back into a town?

The Petition is a voter-initiated procedure wherein two processes will occur simultaneously if the dual referendum is approved: (1) a new Village of Tuxedo will be incorporated, which will extend to the entire borders of the Town but exclude the Village of Tuxedo Park, which is entirely within the Town; and (2) immediately the newly incorporated Village will be consolidated with the Town of Tuxedo. Please see answer to Question #7 below for more detail regarding the specifics of the dual referendum.

Because the petition is combined and specifically states that incorporation will not occur without consolidation, if the consolidation vote fails, the entire petition fails. No incorporation will occur. Therefore, both questions need to pass in order to create the Consolidated Town of Tuxedo. There is no wait time or "flipping" from the new village back into a town, because the incorporation of the new village and consolidation with the existing town occurs simultaneously as soon as the votes are certified by the Town Clerk in the Certificate of Election (please see answer to question # 1 above). As soon as the Certificate of Election and Report of Incorporation are filed with the appropriate state and local agencies, the new town/village has been properly created. There are additional steps in the process after this point (please see attached timeline for more detail), but these steps only further refine the already existing town/village.

5. How is our plan different from or similar to other villages that have gone into effect in our area such as Monroe, Blooming Grove, or Woodbury?

This plan is similar to the other villages in the area with regard to the first step in the process—incorporation. However, the other villages have not completed the second step in the process—consolidation. Therefore, they have not created a consolidated town-village and remain as a "regular" village.

A consolidated town-village is similar to a coterminous town-village, which is when a town and village include exactly the same boundaries, i.e. that both municipal boundaries start and end at the exact same place. Coterminous town-villages are a special and unique form of organizing local government that is starting to become more popular in New York State, as five other town-villages already exist in New York: Mount Kisco, Harrison, and Scarsdale, in Westchester County; Green Island in Albany County; and East Rochester in Monroe County. Although these five other town-villages have set up their new governmental structures slightly differently, our Petition aims to create a consolidated town and village that will function together as a single local government.

As a final note, this Petition specifically attempts to avoid the issues the Village and Town of Woodbury now experience, especially with regard to overlapping government and taxes. This problem occurred because the Village and Town only completed the first step in the process—incorporation. The Town of Woodbury never consolidated with the Village of Woodbury. Our Petition seeks to avoid the problems created in Woodbury by instead following the consolidation provisions (set forth in the New York Government Reorganization and Citizen Empowerment Act) simultaneously when the new Village of Tuxedo is created. This is an important distinction to the proposed Petition, as Tuxedo will be able to overcome Woodbury's mistakes by creating a combined incorporation and consolidation procedure.

6. Can the process be reversed by outside entities if Tuxedo Farms is purchased?

No. The process has nothing to do with private purchasers of land.

7. What exactly will the referendum ask the voters to approve? What will the residents of Tuxedo Park be voting on?

A typical referendum occurs when a general vote on a single political question is held. In this case, the Town will hold a mandatory "combined referendum" where two yes/no questions will be posed to the eligible voters. Since the Petition includes two procedures—incorporation and consolidation—these procedures will be voted on separately based upon voter residency pursuant to state statute.

The first question (on incorporation) will be: Should the Village of Tuxedo be incorporated pursuant to the elector-initiated petition? For this vote, only the residents of the Town (not including Tuxedo Park) can vote. This is because only those residing in the proposed area of incorporation and qualified to vote in town elections may vote on that question.

The second question (on consolidation) will be: Should the newly incorporated Village of Tuxedo be immediately consolidated with the existing Town of Tuxedo to create the Town-Village of Tuxedo? The entire Town, including Tuxedo Park residents, can vote on the second question.

POSSIBLE IMPACTS ON LOCAL GOVERNMENT

1. How does this affect the Village of Tuxedo Park? Do they lose any of their independence and will any of their departments be absorbed or eliminated? Will they continue to elect their own mayor and trustees?

This procedure will not affect the preexisting Village of Tuxedo Park. The Petition aims to retain the existing relationship between the Town and the Village of Tuxedo Park, a Village with its own unique history and status. There will be no impact on the Village of Tuxedo Park's departments, current governmental structure, or its independence.

Residents of the Village of Tuxedo Park, however, do have an opportunity to voice their opinion regarding the incorporation and consolidation procedure during the mandatory referendum, during the consolidation portion of the referendum (see answer to #7 in preceding section above).

2. How will the new town/village's government work? Will we have a supervisor or a mayor?

The new town/village's governmental organization and regime will remain the same, but the Petition's approval will generally allow the Town to exercise the increased powers of a village while continuing to operate as a town (see answer to question #4 in section below).

Villages and towns have different powers in New York. For example, towns do not have a separate executive branch of town government. A Town Supervisor functions as a part of the legislative branch instead. A Supervisor's duties under law include: (1) acting as treasurer and taking care and custody of funds belonging to the town; (2) disbursing funds for the town's usage; (3) keeping an accurate and complete account of all town funds; (4) making reports as required; (5) paying fixed salaries and other claims; (6) and leasing, selling, and conveying town properties, when so directed by the Town Board. It is clear from that list that the town supervisor functions as a fiscal officer. In addition, a Supervisor can be considered as more of an administrator than an executive officer, as they do not possess any special powers other than what is listed above.

In New York villages, conversely, a mayor is normally the chief executive officer. Unlike a Town Supervisor, the Village Mayor is not the chief fiscal officer of the Village and therefore has no explicit fiscal duties. A Mayor is however responsible for enforcing the village's laws, as well as for appointing all non-elected village officers and employees.

In certain ways, therefore, a Village Mayor has more authority than a Town Supervisor. Once the Town of Tuxedo converts into a town-village upon passage of the Petition, the Town Supervisor will be able to exercise some of the executive powers a Village Mayor normally only possesses.

3. How does this affect any of our other elected town officials such as town clerk or superintendent of highways?

This procedure will not affect any other elected town officials.

4. Will this change give the town board any additional powers?

There is a difference between the powers villages and towns were given by state statute. Unfortunately, towns have fewer powers than villages in two important arenas. First, villages are able to prevent pipelines from traveling through their borders. By creating a town-village, the Town of Tuxedo will be able to combat the increasing development pressure from pipelines in the area. Second, the creation of a town-village will prevent any other villages from incorporating within the Town's borders. This has the added benefit of preventing future financial burdens to the Town and its taxpayers by avoiding the threat of multiple unconsolidated municipal governments existing within the Town. Multiple unconsolidated governments can create additional expenses for residents, as overlapping municipal governments in turn create overlapping taxes for the provision of redundant residential services.

5. Will there be any extra steps or changes in the process of applying for a building permit?

No, the procedure will not cause any extra steps or changes in the building permit application process.

6. Will there be any changes in our current zoning laws?

The procedure itself will not cause any changes to the current zoning laws. However, the zoning for the Town of Tuxedo is currently being amended and the draft zoning documents are under review by the Town Board. The pending rezoning process will not be affected by the procedure.

POSSIBLE IMPACTS ON TAXES

1. Will this change result in any type of new taxes for either the new town/village or the already existing Village of Tuxedo Park?

There will be no impact on taxes for either the new town/village or the pre-existing Village of Tuxedo Park.

2. Will it be necessary to reassess all the properties in the new town/village?

No, there is no need to impose a mandatory reassessment of all properties within the new town/village.

3. Will this change in status result in a change in any monies we currently receive or are eligible to receive from either the state or county?

No, the change in status will not result in a change in state or county grant or monies eligibility.

MISCELLANEOUS QUESTIONS

1. What will the new town/village be called?

The new town-village will be formally called the Consolidated Town of Tuxedo. Informally, we expect that the town-village will continue to be referred to as the "Town of Tuxedo."

2. Will this adversely affect any future attempts to develop a ward system in Tuxedo?

No, the Petition will not adversely affect future attempts to create ward system in Tuxedo.

3. Will this in any way affect our current school district boundaries?

The school district boundaries are not affected by this procedure.

4. Will there be any effect on current or future plans to revitalize the downtown area?

No, this petition will not affect current or future downtown revitalization plans.

5. Are there residual benefits to making this change such as the ability of local organizations to conduct fundraising road drives or more control over local speed limits?

No, the Petition does not affect these issues.