

MAYOR'S COLUMN

The Trustees and I continue to spend the majority of our time on the upcoming budget with the goal of finding tax savings.

The following is a thumbnail sketch of our Village finances which will aid you in understanding our analysis and potential options for cost savings.

The Village's operating budget for fiscal year 2008-2009 is \$13,398,113. We have estimated revenues of approximately \$5.7 million necessitating collecting \$7,683,388 of this through the property tax levy. Going forward, to achieve tax savings we need either to increase the revenue side and/or decrease spending. Much like the school, we receive miniscule funding from the State of New York. Last year, for example, was only \$91,055. We do receive sales tax and mortgage tax revenue through Westchester County but due to the economic downturn we know these numbers will decline in the next budget cycle. So whatever revenue generators we will have are purely local. Our largest revenue source is parking lot fees, followed by parking violation fines, building permit fees, recreation fees and interest income.

As a result, we are reviewing all of our user fees to determine if they adequately reflect the costs of the service provided or whether they are above or below the fees charged by similar municipalities.

We are soliciting other municipalities to learn their fee structures and we have asked our finance department to determine the aggregate costs of such programs as tennis, paddle and day camp to determine at what level user fees cover the true costs of these programs. We will also revisit all the resident/non-resident fee differentials.

In tandem with a revenue review, we are seeking cost savings on the expenditure side. Of our \$13 million plus budget, 70% relates to employee salaries and benefits. Of the other 30%, 11% goes to debt service and 19% or approximately \$2.5 million covers operating expenses such as utilities, gas, auto and truck parts, legal counsel, library needs, recreational services and garbage removal fees.

Given these parameters, where do we find savings? - bearing in mind that every charge of \$76,834 in the Village budget equals a 1% change in the tax rate.

We have begun by reviewing all outstanding capital projects, requiring departments to validate their continued need, and even if needed, whether purchases can be deferred to future years. Any savings found will go toward reducing the debt service payment portion of your tax bill.

Some unused capital projects must remain because they are in essence escrow accounts in anticipation of major needs. For example, we have a growing capital fund for traffic lighting, knowing that replacement of major intersection lights can be a \$100,000 plus expense.

We are also shopping our insurance business this year to guarantee we are receiving the best possible rates. We have negotiated rate freezes with legal counsel whose agreements expire this year and we have contracted with a private consulting firm to review all of our utility costs, paying no money up front, rather sharing a percentage of any savings recovered.

We are trying to maintain the same level of Village services and manpower provided in the current budget while reviewing current vacancies in Public Works and the Police department.

The Village is in excellent financial shape due to very conservative past budgeting practices but we must continue to tighten our belt for the year ahead. We are open to any cost savings suggestions residents may have as we deliberate our finances over the next two months.