

Mayor's Column

The Trustees, working with Village Treasurer Bob Fels, Village Administrator Harry Porr and all of the Department Heads have completed the operating budget for the fiscal year 2007-2008.

The projected tax levy increase is 5.59% compared with 11.6% last year. Recognizing that 2006 was a time of great upheaval and uncertainty in the Village due to the tax reassessment project, we all worked very hard to pare the budget as tightly as possible and keep things essentially status quo for the next year.

The 5.59% increase reflects a 3.75% salary increase for our police officers per the new labor agreement as well as a Teamster and non-union personnel salary increase of 3.50%. It also results from large increases in specific line items. For example, utilities are projected to increase by 19% due to a 16% across the board rate increase compounded by a projected increase in demand due to a renovated Village Hall. The Village Hall renovation project captured 5,000 square feet of empty basement space that was formerly unusable. That space is now converted into work rooms and lockers for police and staff use.

Another area of increased spending is under the general heading of operating expenses. Supplies and materials for all departments, auto and truck parts for the central garage, insurance costs and professional consulting services are projected to rise to over \$300,000 for the next fiscal year.

Health insurance premiums continue to increase due to pressure brought on by market conditions. Our budget reflects an average increase of 10.8% as compared to 6.9% in the 2006/2007 budget.

The New Rochelle Water Company, owner of our Village water supply, is also increasing our hydrant maintenance fee by 20% from \$60,000 to \$72,000.

With only \$66,600 in increased expenditures translating into one full percentage point tax increase on the Village side of the budget, small fluctuations have great impact on the yearly percentage increase. As a result, in an effort to keep spending down, we have kept many line item expenditures to last year's levels.

The majority of Village government revenue sources continue to remain strong. We project a 2.52% increase, or \$131,000, on the revenue side due to added revenue from mortgage taxes, interest income and building permits. Parking ticket revenues are projected to decrease by \$45,000 partly due to a less aggressive ticketing policy and fewer parking enforcement officers on staff. Our conservative budgeting does not include the potential large spike in building permit revenues due to the two major projects planned at Lawrence Hospital and Kensington Road this coming year. Our \$12,951,000

budget will be offset by \$5,918,000 in estimated revenues, necessitating \$7,032,000 to be raised by property taxes.

Thanks to the efforts of our two very diligent elected State representatives, Senator Jeff Klein and Assemblywoman Amy Paulin, our State general revenue sharing of \$66,000, first completely eliminated by Governor Spitzer in his proposed budget, has not only been restored by the State Legislature but increased by 3%. We thank them both for their vigilant efforts on our behalf.

Our fund balance continues to be strong. We estimate a positive balance remaining of \$1.1 million as of May 31, 2007, the end of the Village fiscal year. With approximately \$1.5 million in expected one-shot revenues from Kensington Road and Lawrence Hospital next fiscal year, we could see that balance go to \$2.6 million, or approximately 20% of our annual budget. This is good news for Bronxville. Credit agencies such as Moody's weigh available fund balances when factoring our bond rating.

Thanks to the diligent and professional oversight of our budget by Village Treasurer Bob Fels, we have been able to carefully track expenditures and craft a budget that is conservative, realistic and responsible.

On Monday evening, April 9th, the Board of Trustees will hold a public hearing to get citizen input on our 2007-2008 Village spending plan.