

MAYOR'S COLUMN

MARCH 12, 2017

The Village budget process is in full swing as we craft a 2017-2018 template for Village operations. The process is quite regulated by New York State Law and local procedural variations are limited.

The process starts in earnest in January with the Village Board appointing the Village Administrator as the Budget Officer. Though the official designation, the Village Administrator, James Palmer, and Village Treasurer, Lori Voss, have been tracking all departmental revenues and expenses to keep us on target on a month to month basis.

The next step was to send out year to date budget reports to all departments along with a detailed request for budget needs and capital projects going forward.

These reports were submitted in the first week of February and inputted by the Treasurer. Simultaneously, Village Officials reviewed all State and Federal policies which could impact budget projections including the adjusted Tax Cap number, (This year, the 2% tax cap is actually 1.15% or the equivalent cost of five new light poles. If we buy the sixth pole, we exceed the cap!), health insurance obligations and other mandated employee benefits. At the local level, we factor in any Collective Bargaining Agreement provisions such as salary changes for the upcoming fiscal year.

The remainder of February was occupied with department level meetings to review and refine traditional needs, new initiatives for the upcoming year, staffing changes and capital needs.

From March 1st to 20th, budget documents are prepared so the administrator/clerk can file a tentative budget on the 20th pursuant to law.

From the 21st of March until the end of April, the Village Board holds work sessions to review the proposed document literally line by line. Sessions are noticed and open to the public.

A public hearing is then conducted at the April Board of Trustees meeting with final adoption of a budget required by May 1.

Unlike a school district, a Village budget is approved by a majority of the Board of Trustees and not subject to a public vote.

As we are uniquely coterminous with our School District, the Village mails the tax bills for both entities so we must wait for the late May public vote on the School Budget before creating tax bills.

Approximately, 18.6% of your local tax payment stays at the Village level while 81.4% of each dollar is then transferred to the School. Bills are mailed out by June 1 for payment of one half of one's tax bill with the other half due at year's end. Most communities just mail one bill but due to the amount of our local levy, we have chosen to divide it into two installments.

That being said, our local discretion stops here. By New York State Statute, if taxes are not paid by July 1, a 5% late fee is attached to any payment made during that month. Thereafter, an additional 1% late fee is added monthly to the base bill with interest not compounded.

No matter how dire or worthy the circumstance, we cannot change statutory requirements nor offer any kind of installment plans. Court cases on the subject have uniformly upheld the State's legal authority citing fairness and equal treatment as the overriding factors, going even so far as to state that not getting or receiving a tax bill is no excuse for non-payment!

The chief negative driver in this year's budget is the increase in health insurance premium costs projected to be \$65,000.

Our Village's taxable value increased by approximately \$50 million last year, the major driver being the buildout of the Villa BXV project. Non-real property revenues are flat at best due to a reduction in building permit fees as the NYP-Lawrence Hospital and Villa BXV projects reach completion. Parking revenues will increase with the Kensington Garage coming on line but the benefits will be offset by the roll back from 9pm to 7pm on meter operation.

Liability insurance and workers compensation premiums are down thanks to aggressive competitive shopping but again offset by an increase in State mandated Police Retirement rates.

Sales tax revenue, a significant driver in our budget, continues to decrease as internet purchases have risen by double digits – a trend that truly has long term negative consequences for the vitality of the Village.

The budget also reflects negotiated contract settlements with the Police Benevolent Association (PBA) and the Teamsters Union representing our Public Works employees with a salary increase in the neighborhood of 2%. However, within the above contract parameters are increased health care contributions that will reap significant benefits for the Village long term.

To lower the tax burden on taxable property owners, most communities are going the way of user fees and special improvement districts so as to have all entities in a municipality share in such services as road repavement, lighting upgrades and sewer and infrastructure repairs.

As example, if a neighborhood is slated for repavement, a district would be created and properties so benefitting, whether they be a church, a charity, school or hospital, would be assessed by the linear footage of their property, not whether they were tax exempt or not.

Because we are only 18.6% of your local tax dollar, every increase in expenditure or loss of revenue of \$82,000 translates into a full tax point differential. That is the reason why every service is scrutinized and revaluated on a yearly basis. As illustration, if we ceased to have curbside loose leaf collection, the savings would be \$90,000 or a full tax point.

As we continue in the budget process, I welcome any thoughts/suggestions you may have as we move toward our May 1st adoption.