

## Mayor's Column

April 25, 2016

Per New York State Law, last week the Village Trustees filed an operating budget for fiscal year 2016-2017. Unlike a school district, a Village budget is approved by a majority of the Village Trustees and is not subject to a public vote.

In the macro view, the proposed budget of \$15,882,433 increased the tax levy by \$268,901 or 2.99% due primarily to the budgeted increase of \$640,449 for bond principal and interest payments. This money is funding a host of unprecedented capital projects and purchases including the FEMA flood mitigation project, repair of the Village Hall entrance, downtown street lighting upgrade, street resurfacing and curb restoration, sewer infrastructure cleaning and repair, and a new dump truck for the DPW.

The levy therefore exceeds the 2016-2017 State allowed increase of .12%, euphemistically known as the "2% tax cap". As a measure, the tax cap limitation would not even cover the cost of five new street lights, and efforts to convince Albany that at a minimum, debt service for capital expenses should be excluded from the tax cap calculation have been fruitless.

As a result of our strong tax base we are once again able to provide a slight reduction in the tax rate. The Village has a taxable assessed value of 3,055,091,265, up over 92 million from last year and comparable to the value levels of the previous peak of 2006-2007. Since 2012, our full assessed value has grown 10%, a major positive indicator that helps maintain our AAA bond rating, the highest possible we can achieve. This has paid dividends resulting in the low interest rates we were able to negotiate on our recent bond transactions. Due to the strong housing market and attractive interest rates spurring refinancing, our mortgage tax revenue in 2015-2016 exceeded all expectation resulting in a budget variance of +60%.

However, it should be noted that the Assessor is seeing softening or leveling off of the increases going forward and is anticipating little additional growth from existing housing stock in 2017. The slowdown though will be offset in part by the construction of the Villa BXV units which should be 80% complete by January 2017

and add an additional \$30 million plus to our taxable value, positively impacting next year's budget.

However, our other major revenue generator, sales tax proceeds, was down due to the continued growth of online sales as well as a significant County-wide commercial property vacancy rate.

In order to keep the tax levy down, the Trustees must look to constantly increase all of our non-property tax revenue possibilities. As a result of some price increases and well as increased usage and activities in certain departments, we project non property tax revenues in the next budget to be \$6,065,705, representing an increase of \$348,800 from the previous budget.

Parking is by far the largest source of revenue amounting to a \$2.7 million business, \$1.14 million of which comes from meter quarters!

After listening to our merchants, residents and Chamber of Commerce, we have rolled back meter hours from 9pm to 7pm. We were convinced that we could meet our objective of not providing free street parking for those heading for a night in Manhattan, rather than using the space for a dinner, movie or exercise class in the Village with the 7pm meter termination. Hopefully the free parking from 7pm on in all lots/meters in the Village will stimulate evening resident participation in local entertainment options.

To offset this revenue loss, our ticket fees will increase from \$20 to \$25 - still nowhere near comparable to other Westchester communities, some with \$45 penalties.

Our final proposed budget of 15,882,433 reflects an amalgam of savings in some columns counter balanced by increases in other line items.

As example, as mentioned earlier, our debt service increased due to an unprecedented \$7,255,000 million in bonding dedicated to infrastructure projects.

The budget also reflects contract settlements with the Police Benevolent Association (PBA) and the Teamsters Union representing our sanitation staff with salary increases in the neighborhood of 2%. Within those contract parameters are increased health care copay agreements that will reap benefits for the Village for years to come.

The contract provisions are pivotal because health care premiums are projected to increase \$165,000 even accounting for the increased contributions by our employees.

On the positive side, our contributions to the State Pension Fund and Workman's Compensation Insurance Fund have both decreased slightly, truly a rarity.

Out utility costs are projected to decrease due to the energy saving of the aforementioned LED street lighting upgrade in the capital budget.

In sum, the following chart is reflective of how the major components of the final budget were allocated:

	% of Appropriations	Total Amount
Debt Service	13%	2,078,455
Road Maintenance	11%	1,727,420
Sanitation	5%	799,805
Library	9%	1,368,200
Police Department	19%	3,051,442
Utilities	2%	328,800

The tax levy increase of .76% translates into a \$50 increase to a homeowner with a house assessed at \$2.5 million.

Most gratifying, the above budget was accomplished with no diminution of services in any department to our Village taxpayers.