

## Mayor's Column

April 6, 2015

Per New York State Law, the Village has filed a tentative 2015-2016 Budget which will be further refined in the coming days and then voted upon at the Trustees' April 13th Board meeting.

As currently proposed, the budget anticipates a tax rate of \$3.04 per thousand of assessed valuation, resulting in a .93% decrease in real property taxes for the next fiscal year.

In real dollars translation, a home valued at \$2.2 million, (our Village median) will see a Village tax decrease of \$58.52 resulting in a \$6,691.08 bill to the Village. A home valued at \$700,000 will see a decrease of \$18.62 and a home valued at \$4.4 million will experience a \$118.37 decrease.

We were able to effectuate this decrease in part because national and regional economics continue to strengthen. Chief among the drivers is a recently issued statement from the New York State Comptroller's Office reporting that the New York Common Retirement Fund earned a 13% rate of return in the 2013-14 fiscal year, (well above their long-term earnings assumption of 7.5%). As a result, we are seeing an unprecedented second year of reduced employer contribution rates to the Retirement System.

Additional positive signs of continued economic recovery include increases in sales tax revenue, (though at a glacial growth), mortgage taxes and building permits and associated fees. Especially positive for the Village itself is an unprecedented appreciation of general home values this year and our corresponding growth in full value. Indicators forecast this growth will continue in 2016 with an increase in demand for home improvements leading to additional building permit fee revenue.

The proposed budget increases our tax levy by \$377,579 or 4.38% due in large part to the principal and interest payments associated with the Bond Anticipation Notes (BANS) issued for our expansive 2012-13 and 2013-14 capital programs. The levy therefore exceeds the State tax cap calculated at 1.68% this year. To date, efforts to convince Albany that municipalities should be treated the same as school districts and have capital infrastructure expenditures excluded from tax cap calculation have been fruitless.

Thanks to the significant increase in full value and the corresponding tax base, the lower tax rate proposed for FY2015-16 will generate the necessary levy. It is worth noting that this is the opposite of what many other communities are experiencing as they have become accustomed to a declining tax base thus requiring a proportionally higher tax rate to generate the equivalent tax levy.

Our past efforts to aggressively resolve tax certioraris and defend Small Claims petitions have also contributed to maintaining full value.

In order to increase our non-property tax revenues, the Board of Trustees is fine tuning plans to increase our meter hours, our parking buyout fee and the penalty for unpaid parking tickets to put us more in sync with our neighboring communities. After we make refinements to these proposals, we will make the new initiatives public at the April 13<sup>th</sup> Board of Trustees Meeting.

The only staff change anticipated is one part time assessment/tax aide being increased to full time. The result will allow the Assessor to focus exclusively on property appraisals and valuation diverting all the clerical work to a staffer with a less expansive skill set.

We project some cost savings (\$61,549) primarily due to proposed changes in our Workmen's Compensation carrier and health insurance provider. We constantly monitor the premiums and asked for quotes from the competition. Since a majority of our employees and some retirees contribute a percentage of the premium, this is a win-win for both the taxpayer and our staff.

We will recover additional cost savings due to the projected cost of diesel and gasoline fuel for our vehicles as well as a decrease in the cost of equipment parts. Our continued program to replace the remaining incandescent lighting in the business district to LED as well as the conversion of the residential neighborhood overhead lighting to same will result in both energy efficiency and cost savings.

The Trustees and I are committed to finding new alternative revenue source so that the tax burden does not rely solely on Village property tax payers. We will continue to explore Payments in Lieu of Taxes (PILOTS) with our not for profit institutions as well as apportioning the sewer maintenance costs to all users of the Village infrastructure.

Net-net, the Village's FY2015-2016 tentative budget results in a tax decrease to residents with no diminution in services.