



# TARRYTOWN-ON-HUDSON

One Depot Plaza, Tarrytown, New York 10591-3605

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DREW FIXELL  
Deputy Mayor  
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FAX NO. 914-909-1208

March 20, 2014

Honorable Mayor Fixell and the Board of Trustees  
Village of Tarrytown  
One Depot Plaza  
Tarrytown, New York 10591

Re: Fiscal Year 2014-2015 Village of Tarrytown Tentative Budget

Honorable Mayor Fixell and Members of the Board of Trustees:

In my capacity as Budget Officer for the Village of Tarrytown, I hereby respectfully submit the tentative budget for Fiscal Year 2014-2015. This proposed budget is the third tentative Village budget that is subject to the 2% tax levy cap. Pursuant to the previous directive from the Board of Trustees, I am submitting a tentative budget that meets the requirements of the State tax levy cap. As I noted in my previous tentative budget submissions to the Board of Trustees in FY 2012-2013 and FY 2013-2014 (both years that were subject to the tax levy cap), the state law does not cap the tax rate that can be established by the Village. The state law does cap the amount that can be levied by a municipality. In fact, the tax levy cap is actually 1.48% for the upcoming fiscal year, not 2% based upon the minimal increase in the Consumer Price Index. In the calculation of the tax levy cap for fiscal year 2014-2015, a carry forward from the FY 2013-2014 increased the amount that can be levied by the Village and remain within the property tax levy cap.

The tax levy cap calculation for Fiscal Year 2014-2015 is included below. The information included in the calculation is taken directly from the Property Tax Cap Form completed by the Village on the New York State Office of the State Comptroller website. Please note for comparison purposes that the allowable tax levy cap for FY 12-13 was \$686,738, even though two percent of the tax levy from the FY 11-12 totaled \$283,178 and the tax levy increased by \$333,131. For FY 13-14, the allowable tax levy cap was \$1,081,435; the two percent of the actual tax levy from FY 12-13 was \$289,840 and the tax levy increased by \$322,860.

TAX LEVY CAP CALCULATION – FISCAL YEAR 2014-2015

Total Real Property Tax Levy for Fiscal Year Ending (FYE) 5/31/2014	\$14,814,876
Total Tax Cap Reserve Amount from FYE 5/31/14	\$ 0
Tax Base Growth Factor	1.0%
PILOTS (Payments in lieu of taxes) receivable in FYE 5/31/2014	\$ 14,000
Tax levy necessary for expenditures resulting from court orders	\$ 0
Allowable tax levy growth factor	1.0148%*
Available Carryover from FYE 5/31/2013	\$ 232,946
<b>TOTAL LEVY LIMIT BEFORE ADJUSTMENTS/EXCLUSIONS</b>	<b>\$15,267,289</b>
Total Adjustments	\$ 0
<b>TOTAL LEVY LIMIT, ADJUSTED FOR TRANSFER OF LOCAL GOVERNMENT FUNCTION</b>	<b>\$15,267,289</b>
Exclusions	
Tax levy necessary for expenditures resulting from tort orders/judgments over 5% FYE 5/31/2013 tax levy	\$ 0
Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial contribution rate or normal contribution rate in excess of 2 percentage points	
EMPLOYEES RETIREMENT SYSTEM	\$ 0
POLICE AND FIRE RETIREMENT SYSTEM	\$ 0
<b>TAX LEVY LIMIT, ADJUSTED FOR TRANSFERS, PLUS EXCLUSIONS</b>	<b>\$15,267,289</b>

\*The allowable tax levy growth factor can never exceed 2%; however, the growth factor can be less than 2% based upon the level of inflation.

The tax assessment roll for the upcoming fiscal year has once again decreased, albeit by a lesser amount than in previous years. The decrease in the assessment roll for FY 14-15 totals \$342,125 which equates to an actual loss of taxes of \$97,772. Recouping this loss of tax dollars increases the tax levy by .665%. During the twenty year period from Fiscal Year 1995-1996 up to and including Fiscal Year 2014-2015, the Villages tax assessment has decreased by \$14,397,349 or 21.8%, from \$65,895,000 to \$51,497,651. Recouping this actual loss of tax dollars represents the largest single component of the proposed tax rate increase in the tentative budget.

Since the economic downturn which first impacted upon the Village budget for Fiscal Year 2009 – 2010, the Village has trimmed departmental budgets and only those costs which are required by union contracts or are beyond the control of the Village (electric, gasoline, health insurance, pensions, etc.) have been increased. The development of this tentative budget reflects the same framework as previous budgets – the maintenance of services to our residents that they have come to expect with the minimum tax increase to pay for those services. This tentative budget does not include any decrease in the staffing levels within the Village government.

There were a number of cost drivers that have impacted the development of the tentative budget. There were only two major cost drivers that impacted (increased) the proposed tax rate by more than one-half percent. The first was the loss of assessables. The second is a decrease in the use of various fund balances. The drivers, the dollar cost and the impact upon the tax rate are listed below. Please note that

number provided in the category of tax rate increase only takes into account that particular increase or decrease and is provided strictly for purposes of evaluating the tentative budget document and the proposed tax rate increase.

- The approved budget for FY 2013-2014 included appropriated fund balance from the Reserve for Debt Service and Reserve for Capital Costs. In FY 13-14, this appropriation accounted for \$650,409 and in the tentative budget the appropriation totals \$313,881, a reduction of \$336,528. This reduction equates to a tax rate increase of 2.29%. Funds in the Reserve for Debt Service reflect premiums that are paid by financial institutions who purchase the Village's BAN's and are utilized by those financial institutions to reduce the interest rate due by the Village on the short term debt. \$347,368 remains in this reserve account for future budgets. Funds in the Reserve for Capital Costs reflect an appropriation by the Board of Trustees in the FY 06-07 budget. This is the third year that the tentative budget reflects an appropriation of this reserve fund and the \$113,881 appropriation in the tentative budget will bring this reserve fund to \$0.
- As noted hereinabove, the loss of assessables for the current tentative budget totals \$342,125, or a loss of property tax revenue of \$97,772. This loss of property tax revenue from the current fiscal year to the upcoming fiscal year equates to a tax rate increase of .665%.
- Workers Compensation Insurance costs increased by \$60,816 in the tentative budget, which reflects an increase from year to year of 9.2%. This increase equates to a tax rate increase of .41%.
- The Fire Department budget increased by \$42,500. In the tentative budget, I have included as an operational cost the purchase of turnout gear, since this is a recurring cost in previous annual budgets. The actual amount included in the tentative budget for turnout gear is \$57,000, which is offset by reductions in other budget lines in the Fire Department budget. This increase equates to a tax rate increase of .29%
- Debt Service increased in the tentative budget by \$28,120, which comparatively is a small increase based upon previous fiscal years as well as the fact that the Village converted the short term Bond Anticipation Notes to long term Serial Bonds. This increase in the cost of debt service equates to a tax rate increase of .19%.
- The Snow Removal budget line has been increased by \$23,000. This is based upon a ten year average, plus an anticipated increase in the cost of salt for FY 14-15.

There was no compensating offset in the revenues in the tentative budget to address the proposed increases in the appropriations. I would like to note that the appropriations/expenditures in the tentative budget only increased by \$122,407. Revenues decreased by \$325,146 in the tentative budget, all due to the decrease in appropriated fund balances noted in the first bullet point above. As noted, the decrease in the appropriated fund balances (Debt Service and Capital Costs) totals \$347,368 and there were a few minor increases in revenues that brought the final reduced revenue total to \$325,146.

The tentative budget submitted for your consideration is fully compliant with the state mandated tax levy cap. The tax levy increase, as proposed in this tentative budget, is \$4,859.00 less than the tax levy cap amount authorized pursuant to the Property Tax Cap Form completed by the Village on the New York State Office of the State Comptroller website. The actual proposed tax levy increase is \$447,554, which is 98.92% of what could be levied within the tax levy cap.

Below, please find a summary of the tentative budget proposals for the General Fund, the Water Fund and the Library Fund.

**GENERAL FUND** - The tentative budget for Fiscal Year 2014-2015 includes General Fund appropriations of \$22,108,173 and non-property tax revenues and fund balance of \$6,845,743. Appropriations in the tentative budget for the General Fund have increased by \$122,407, which is a .56% increase from the approved budget for Fiscal Year 2013-2014. Non-property tax revenues decreased by \$325,146, which represents a revenue decrease of 4.5% from the approved budget for FY 13-14. The tentative budget does not include an increase in the appropriation of "unassigned" fund balance, which has remained at \$600,000. The tentative budget provides for an increase in the amount of appropriations to be raised by the real estate tax levy of \$447,554, or 3.02% from the FY 13-14. The difference in the actual proposed tax rate is the increase that reflects the loss of assessables.

These numbers generate a proposed tax rate of \$296.37 per \$1,000 of assessed valuation, up from \$285.78 in the approved budget for FY 13-14. The proposed tax rate is an increase of 3.71% over the tax rate from FY 13-14. Per the Village Assessor, the average single family home in the Village of Tarrytown is assessed at \$15,600 and utilizing this average assessment figure, the proposed tax rate would generate an increase in Village taxes for the average single family homeowner of \$165.21.

**WATER FUND** - The tentative budget for the Water Fund provides for appropriations and revenues of \$4,921,027, an increase of \$478,854 from the budget for the FY 13-14. The increase in the Water Fund budget is primarily attributable in the debt service associated with water improvement projects, which increased by \$351,185. There are sufficient funds in the Water Fund to cover future capital projects authorized by the Board of Trustees for FY 14-15 without an increase in the Village water rates. The only water rate increase that water customers should experience in FY 14-15 is the increase mandated in the Tarrytown code to reflect increases in the water charges from New York City.

**LIBRARY FUND** - The tentative budget for the Library Fund increased by \$40,566, which equates to a 2.55% increase from the FY 13-14. The primary increase in the library budget reflects an increase in the cost for the state retirement. The Village Treasurer, when accounting for the state retirement system costs, is calculating actual salary costs incurred multiplied by the pension rate in effect, as opposed to strictly utilizing the estimated bills provided by the State Comptroller's Officer. This calculation provides for greater accuracy in the pension costs for the respective fiscal year. There is also an increase in the state retirement costs in the Water Fund due to this accounting by the Village Treasurer. The General Fund did not experience such an increase based upon the Treasurer's calculations. Based upon the agreement between the Villages of Sleepy Hollow and Tarrytown to fund the library, the actual increase in the Village budget to fund the library is \$10,220.

Property taxes are the primary source of funding for the operation of the Town of Greenburgh, the County of Westchester, the County operated wastewater treatment plants and garbage processing plants, the two schools districts that serve Tarrytown (the Union Free School District of the Tarrytowns and the Irvington Union Free School District) as well as the Village. Although property taxes are commonly categorized together, it is important to distinguish the variety of taxing entities that receive property taxes for operational purposes and the level of property taxes received by those entities. Village taxpayers can then truly assess the taxes paid and the services received by the taxpayer from each of those taxing entities. The following charts provide information as to the tax dollars paid by a property

owner assessed at the average assessed value in the Village and the proportionate share of the total tax obligation attributable to the various taxing entities that impact a Village property owner.

**COMPARISON – WHERE YOUR TAX DOLLARS GO**  
**Comparison of Tax Dollars**  
**Average Village Assessment of \$15,600**

	Union Free School District of the Tarrytowns	Irvington Union Free School District
Town	\$238.10	\$238.10
County	\$1,680.51	\$1,680.51
County Sewer	\$281.86	\$281.86
County Solid Waste	\$163.85	\$163.85
School District	\$11,024.98	\$10,074.61
Village	\$4,458.17	\$4,458.17

**COMPARISON – WHERE YOUR TAX DOLLARS GO**  
**Comparison of Taxes Paid Based Upon Percentage of Tax Bill**

	Union Free School District of the Tarrytowns	Irvington Public Schools
Town	1.33%	1.41%
County	9.42%	9.95%
County Sewer	1.58%	1.67%
County Solid Waste	.92%	.97%
School District	61.77%	59.62%
Village	24.98%	26.38%

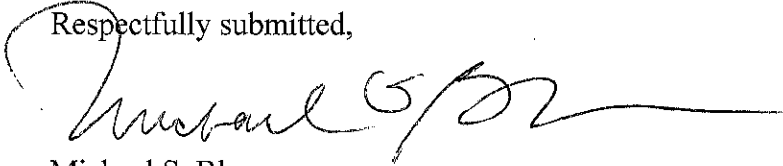
The Village Administrator, as Budget Officer, is responsible for the development of the tentative budget, which by New York State law must be submitted to the Village Clerk by March 20. The tentative budget is a collaborative document developed with the input and assistance from all Department Heads and a direct partnership with the Village Treasurer. The Village Treasurer has an invaluable roll in the process of creating the annual budget. The process commences with each Department Head providing their budget proposals for their respective budgetary areas for inclusion in the tentative budget. Those budget proposals were modified based upon a review of both current and historic expenditures and those modified numbers are included in this tentative budget document. Budget lines have been decreased or increased from the proposals submitted by the Department Heads in order to assure consistent ongoing Village operations, as well as to confirm that budget lines do not exceed what is necessary for such operational purposes.

The tentative budget can be modified based upon decisions made by the Board of Trustees as the policy makers of the Village. The budget process provides for opportunities to solicit input from Village residents and other interested parties regarding the tentative budget. The important dates associated with the adoption of a final budget are as follows:

- Public Hearing – must occur on or before April 15 and may be continued but not beyond April 20.
- Budget adoption – on or before May 1.

Your Village staff is ready and willing to analyze any proposal that you believe should be considered during this process of reviewing the tentative budget document and creating the new Village budget for fiscal year 2014-2015. I would like to take this opportunity to thank the Department Heads and especially the Village Treasurer for their invaluable assistance in the development of this tentative budget document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael S. Blau", with a long horizontal flourish extending to the right.

Michael S. Blau  
Village Administrator - Budget Officer