



Stanley H. Kellerhouse Municipal Building
One Van Wyck Street
Croton-on-Hudson, NY 10520-2501

Mayor
Leo A.W. Wiegman

Trustees
Ann H. Gallelli
Andrew C. Levitt
Brian Pugh
Maria F. Slippen

Manager
Abraham J. Zambrano

Treasurer
Sandra Bullock

Clerk
Pauline DiSanto

Engineer
Daniel F. O'Connor, P.E.

March 20, 2015

Honorable Mayor and Trustees
Village of Croton-on-Hudson
Westchester County
Croton-on-Hudson, NY 10520

Dear Mayor and Trustees:

In accordance with the provisions of Article 5 of New York State Village Law, I present this tentative budget to the Village Board of Trustees for your consideration and review. The proposed budget for fiscal year 2015/2016 has been filed with the Village Clerk's office. The total General Fund budget is \$18,620,523 which requires \$11,258,327 to be raised by taxes at a tax rate of \$254.368 per \$1000 of assessed valuation. This proposed rate is \$2.894 higher than the rate for 2014/2015, which represents a 1.15% tax rate increase. The appropriations increase is \$405,720 or 2.22% higher than for Fiscal Year 2014/2015.

As in the past several years, I directed all department heads to start working on their corresponding budgets in the fall of 2014 in order for them to be able to submit budgets that would help us meet the Property Tax Levy Cap legislation, as well as their departments' goals and objectives for fiscal year 2015/2016. Upon submission of the individual departmental budgets, I met with each department head to analyze and evaluate the proposed budget requests. During those meetings, the budget submissions were reviewed to ensure that the requests were justified and in line with the Village's goals. I then made what I considered to be appropriate changes and modifications based upon those review meetings.

Fiscal Year 2015/2016 will be the fourth year that the Property Tax Levy Cap legislation is in effect. For the first two years, the legislation limited the growth of the tax levy to 2% and in fiscal year 2014/2015, the tax levy increase was allowed to be increased only by 1.42%. For fiscal year beginning June 1, 2015, the levy growth was capped at 1.79% of the 2014/2015 Tax Levy or \$198,270; which allows for the 2015/2016 levy to be raised to \$11,263,401.

In addition to the Property Tax Cap legislation, for fiscal years beginning in 2015, municipalities must also have to take into account the newly enacted Tax Freeze Law, which limits the tax levy growth as previously stated in addition to requiring municipalities to develop an efficiency plan that demonstrates savings/efficiencies of at least 1% of their 2014 tax levy. The Plan must be in

effect for at least three years. However, the savings/efficiencies included in the plan must have become effective subsequent to the Property Tax Levy Cap legislation effective date.

This year, taking into account increases in insurance costs, debt service, health insurance and contractual labor obligations, and the fact that no appropriation from the Retirement Reserve is being recommended, the proposed tax levy of \$11,258,327 for fiscal year 2015/2016 will be under the Property Tax Levy Cap set by the State Comptroller's Office. However, the Board's proactive measure to enact a local law to override the State's Property Tax Cap law will give the Village Board the authority to exceed the cap if necessary during the budget work sessions.

Below is a summary of factors that had an impact on the budget this year which we will be reviewing further with you when we get together for our budget work sessions.

Non-tax Revenues – Non-tax revenues represent 36.85% of the overall revenue sources in 2015/2016. Projections for these revenues have been set at \$6,862,196; an increase of \$217,997 over the prior fiscal year.

Appropriated Fund Balance – I am recommending the use of \$500,000 of Fund Balance in this year's budget. The same amount has been appropriated for the previous five fiscal years. This will keep the overall use of fund balance consistent with prior fiscal years. However, this year once again, I am not recommending an appropriation of funds from the Retirement Reserve.

Expenditures – As in the last few years, we have taken into account the state of the economy and tax payers' concerns and every effort has been made to either lower or maintain expenditures at the same level as prior fiscal years.

The proposed budget reflects salary increases throughout the budgetary accounts based upon our union contract with Teamsters' Local 456 and my recommended increases for the non-contract employees. The Village is in the process of finalizing negotiations with the Croton Police Association and I anticipate being able to incorporate the agreed upon terms in the approved budget for 2015/2016.

Justice Court – The Village's Justice Court's budget includes an increase of \$10,804, of which, \$6,021 represents increases in personnel expenses.

Village Manager – The proposed budget includes an increase of \$3,027 in expenditures.

Auditor – Expenditures in this department have increased by \$4,000 due to contractual obligations.

Village Treasurer - The Treasurer's Department has an overall increase in expenditures totaling \$7,608 for salary increases and departmental supplies.

Village Clerk - The Village Clerk's Department has an overall increase of \$3,411, which includes a conservative salary increase.

Law – We are budgeting \$200,997 for fiscal year 2015/2016 to fund our legal costs. Legal fees have been significant over the last several years with respect to legal matters involving the Village. Due to that fact, we anticipate that the requested amount in this budget will once again, not cover these expenses and recommend that the Board allocate funds from either the

contingency account or from the General Fund's fund balance when the appropriated amount runs out, rather than budget an amount that may or may not be enough for legal expenses.

Village Engineer – The Village Engineer is recommending an increase of \$7,893 in expenditures in the proposed budget which represents departmental salary increase for members of the Teamsters Local 456 and a modest increase for non-contract personnel.

Village Elections – No funds have been budgeted for a Village election. A Referendum moved Village Elections to November and Westchester County had run our local elections since 2012. However, the Village Clerk's budget reflects a \$500 amount for custodial overtime as it relates to the voting machines and the opening of the buildings on Election Day.

Records Management – This department includes a net increase of \$2,448 reflecting wage increases.

Central Garage – We are recommending an increase of \$9,820 for the Central Garage that includes wage increases for members of the Teamsters Local 456 in accordance with the collective bargaining agreement.

Data Processing - The Data Processing department includes the staff that supports the Treasurer and includes the computer software related expenses. This department's proposed budget includes an increase of \$11,095 for salaries and an increase in departmental expenses.

Insurance- Based on the information provided by the insurance provider, our insurance premiums will increase by \$13,716, which includes flood insurance.

Contingency – The Village Treasurer and I are recommending maintaining the amount in the contingency account as it has been in past years. However, in anticipation of reaching a settlement with the Croton Police Association, additional funds have been included in this account.

Police Department – The Police Department's budget reflects a decrease of \$78,441 in overall expenditures, mainly due to the hiring of new police officers at entry level salaries. However, if the board ratifies a new contract, the amount budgeted for wages will be impacted. Provisions for that settlement are reflected in the Contingency Account.

Fire Department – The Fire Department's proposed budget for fiscal year 2015/2016 reflects an increase of \$13,803 that includes a \$15,000 increase in contributions towards the Service Award Program. Overall departmental expenses decreased for the fiscal year.

Ambulance/ EMS – The Croton EMS submitted a budget that increases their expenses by \$2,700 for departmental expenses.

Department of Public Works – Overall the department of Public Works' budget request for fiscal year 2015/2016 is flat with the exception of wage increases due to contractual obligations and a conservative salary increase for administrative personnel. The proposed budget does not include an increase for snow removal.

Recreation – The Recreation Department's budget request consists of an overall decrease of \$6,697 spread out in all areas of the department. However, the budget includes salary increases for union and non-union personnel that total \$7,253.

Retirement Contributions- The estimates provided to the Village by the New York Retirement System demonstrate that the Village's contributions for the NYSERS and NYSPFRS will be \$61,964 less than what was budgeted last year at a total of \$1,541,868. If these estimated amounts do not materialize, and the actual bills are higher, the Board could at that time appropriate funding either from the Retirement Reserve or Fund Balance.

Health Insurance – The 2015-2016 proposed budget reflects a premium increase of \$156,662. Effective June 1, 2013, non-contract staff and members of the Teamsters Local 456 started making contributions towards health insurance premiums. During Fiscal Year 2015/2016 contributions will be 10% of the premiums.

Debt Service – Short term debt has increased by \$49,015 due to planned short term borrowing that is amortized over a period of five years, saving thousands in interest that would accrue if the same amount was borrowed as long term debt. The proposed budget also includes an increase of \$84,876 for long term debt.

Assessed Valuation – Contrary to fiscal year 2014/2015, the proposed budget for 2015/2016 reflects an increase in Village Assessments. Residential assessments in the tentative roll realized an increase of \$123,505, the special franchises increased by \$135,355; a net gain of \$258,860. This increase is contrary to the trend we have experienced over the past several years.

Water Fund – Proposed recommendations for the water fund are based on the Fund's needs for this coming year. Based on the projected operating costs for fiscal year 2015/2016, we recommend an increase in water rates from \$6.69 per 100 cubic feet of consumption to \$7.53 per 100 cubic of consumption to cover the expenses related to the operations of the utility. As in the past four years, a rate increase is also being recommended for the high usage customers.

Sewer Fund – The proposed budget for fiscal year 2015/2016 for the Sewer Fund totals \$262,291 and we are recommending a rate increase to generate revenues to cover those expenses. The proposed rates will increase from \$0.6405 per 100 cubic feet of water consumption to \$0.8905 per 100 cubic feet of water consumption. Since sewer rents are calculated based on water consumption, due to the voluntary water use restrictions imposed by the Village in 2012, 2013 and 2014, we have not been able to meet budgeted revenues. Additionally, the Harmon water infrastructure project has also had an impact in collected sewer rents.

Capital Program – The Proposed Budget includes a capital plan for the current years and four subsequent years. The staff spent considerable time planning the proposed capital improvements for Fiscal Year 2015/2016 before submitting their proposals. The submitted five year capital improvement plan serves to guide the future decision-making of the Board on capital expenses and major improvements. The capital budget for 2015/2016 is broken down into eleven major areas. They are:

I.	Comprehensive Infrastructure Maintenance	\$3,354,000
II.	Equipment	\$408,000
III.	Equipment – Fire Department	\$1,049,850
IV	Equipment – EMS Department	\$0
V.	Police Department	\$38,000
VI.	Municipal Garage/Parking Lot	\$75,000

VII.	Municipal Building Renovations	\$1,327,000
VIII.	Recreation Department	\$278,000
IX	Planning Initiatives	\$0
X	Water System Improvements	\$4,012,000
XI	Sanitary Sewer Improvements	\$0

Financial Condition – Our auditors, O'Connor, Davis, Munns & Dobbins, LLP have expressed to the Board that our financial condition is excellent. We have obtained an Aa2 bond rating from Moody's Investors Services, which is outstanding for a community of our size. With this budget and the overall financial health of the Village, we are in a position to keep the Village moving forward in the years ahead. With the Board's support we anticipate having another great year and continuous financial health.

Web Site – We will include the budget on the Village web site in order to make it more accessible to our residents. We will also have copies available at the Village Office and at the Croton Free Library for the public to review. In addition we will also post the proposed budget summary page at the kiosk in the Croton Commons Shopping Center. This year, we will also post a copy of the summary page on the Village's Facebook page and on the Cable Channel.

All in all, the staff and I believe that this tentative budget will meet the needs of the Village government for the 2015/2016 Fiscal Year. The schedule of the work sessions has already been posted on the website and it is also included with this proposed budget document. However the public hearing has been scheduled for the night of April 6th at 7:30 pm and we have scheduled the budget adoption to take place at 7:30 pm before a regular Board meeting on April 20, 2015.

Sincerely yours,



Abraham J. Zambrano
Village Manager and Budget Officer

2015-2016 Budget Work Session Schedule

- Friday March 20, 2015 - Budget will be filed with Village Clerk.
- Monday March 23, 2015- 7:30 pm - Budget Work Session –
DPW, Water Fund & Sewer Fund.
- Monday March 30, 2015- 7:30 pm - Budget Work Session -
Recreation Department & Capital Fund.
- Monday April 6, 2015 - 7:30 pm - Budget Public Hearing
8:00 pm - Regular Board Meeting
(note: Board Meeting will start immediately following)
- Wednesday April 8, 2015 - 7:30 pm - Budget WS - Police and Fire
- Monday April 13, 2015- 7:30 pm - Budget Work Session
EMS, Court, Parking & Administration.
- Wednesday April 15, 2015 - 7:30 pm - Budget Work Session
BOT Budget Review (if necessary).
- Monday April 20, 2015- 7:30 pm - Budget Adoption
8:00 pm - Regular Board Meeting (or immediately following)