



Village of **Croton-on-Hudson** New York

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

*Mayor*  
Leo A.W. Wiegman

*Trustees*  
Kevin W. Davis  
Ann H. Gallelli  
Andrew C. Levitt  
Maria F. Slippen

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*Treasurer*  
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*Clerk*  
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*Engineer*  
Daniel F. O'Connor, P.E.

March 20, 2014

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

Dear Mayor and Trustees:

Today, I filed the proposed budget for fiscal year 2014-2015 with the Village Clerk's office. The total General Fund budget is \$18,345,651 which requires \$11,268,618 to be raised by taxes at a tax rate of \$255.957 per \$1000 of assessed valuation. This proposed rate is \$9.417 higher than the rate for 2013-2014, which represents a 3.82% tax rate increase. The appropriations increase is \$187,580 or 1.03% higher than for FY 2013-2014.

In accordance with the provisions of Article 5 of New York State Village Law, I present this tentative budget to the Board for your consideration and review. As we have done in the last few years, department heads were directed to start working on their respective budgets in the fall in order to be able to submit budgets that would help us meet the Property Tax Levy Cap legislation as well as their department's goals and objectives for fiscal year 2014-2015. Once the budget requests were received and reviewed by me and the Village Treasurer, I met individually with each of them to analyze and evaluate the departmental budget submissions. During those meetings, the budget submissions were reviewed to make sure the submitted 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.

This year is the third 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%, but in 2013, that percentage was lowered to 1.42% for Villages' fiscal year beginning June 1, 2014. However, since our tax levy in fiscal year 2013-2014 was slightly below the allowed limit of \$10,881,215 set by the Office of the State Comptroller, the tax levy limit calculation provided by the Comptroller for fiscal year 2014-2015 is \$11,036,497, which takes into consideration adjustments for assessment tax base growth as determined by the NYS Department of Taxation and Finance Division of Real Property Services, tax levy necessary for expenditures resulting from court orders or judgments resulting from tort actions, and unusually large increases in pension contributions.

Due to increases in costs that are beyond our control, contractual labor obligations, and the fact that no appropriation from the Retirement Reserve is being recommended this year, the proposed tax levy of \$11,268,618 for fiscal year 2014-2015 will exceed the tax levy cap set by the State Comptroller's Office by \$232,121. However, the Board's proactive measure to enact a local law to override the State's Property Tax Cap law is giving the Village the ability to continue to provide services to its residents and taxpayers.

There are a number 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** – Projections for Non-tax revenues have been set at \$6,577,033. Although non-tax revenues represent 35.85% of the overall revenues sources in 2014-2015, this income will have not affect on the tax levy burden because in comparison to the current fiscal year these revenues will remain flat.

**Appropriated Fund Balance** – I am recommending the use of \$500,000 of Fund Balance in this year's budget. The same amount was appropriated for fiscal years 2011-2012, 2012-2013 and 2013-2014. This will keep the overall use of fund balance consistent with prior fiscal years. However, unlike the last three fiscal years, there is no recommendation to appropriate funds from the Retirement Reserve; thus leaving a gap of \$200,000 equivalent to the amount of the tax levy cap overage.

**Expenditures** – As in the last few years, we have taken into account the state of the economy and tax payers' concern 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 anticipate being able to incorporate the agreed upon terms in the approved budget for 2014-2015.

Since the Village reached an agreement with the Teamsters' Local 456, after the 2013-2014 budget was adopted, on a contract that had expired on May 31, 2011, this year's budget reflects compounded increases for three years totaling in excess of \$140,000.

**Justice Court** – The Village's Justice Court's budget includes an increase of \$8,759, of which, \$8,259 represents increases in personnel expenses.

**Village Manager** – The proposed budget includes an increase of \$826 in expenditures.

**Village Treasurer** - The Treasurer's Department has an overall increase in expenditures totaling \$7,341 for salary increases and departmental supplies.

**Village Clerk** - The Village Clerk's Department has an overall increase of \$4,080, which includes a conservative salary increase and funds for the allocation of part-time help.

**Law** – We are budgeting \$197,997 for fiscal year 2014-2015 to fund our legal costs. Legal fees have been significant the last few years with respect to litigation matters the Village has been involved. Due to that fact, we anticipate that the requested amount in this budget will 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 \$14,107 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 runs our local elections starting in 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 \$1,338, reflecting wage increases and small departmental cut backs.

**Central Garage** – We are recommending an increase of \$21,789 for the Central Garage that includes compounded wage increases for three years 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 \$7,839 for salaries and an increase in departmental expenses.

**Insurance-** Based on the information provided by the insurance provider, our insurance premiums will increase by \$12,192, which includes flood insurance.

**Contingency** – The Village Treasurer and I are recommending maintaining the amount in the contingency account at the \$125,000 level. However, as in years past, I would like to see this amount increased if possible in future fiscal years. Although not in the proposed budget, I request that the Board consider increasing this year's contingency account to \$200,000.

**Police Department** – The Police Department's budget reflects a decrease of \$61,414 in overall expenditures, mainly due to the hiring of new police officers at entry level salaries. However, as previously stated, we are anticipating reaching an agreement on the contract negotiations prior to the adoption of the 2014-2015 budget. Consequently, if the board ratifies the new contract, the amount budgeted for wages will be impacted.

**Fire Department** – The Fire Department's proposed budget for fiscal year 2014-2015 reflects an increase of \$73,440 that includes an increase in contractual expenses for building maintenance, \$15,500 for a retention and recruitment program as well as funds for the upgrading of fire-fighting equipment.

**Ambulance/ EMS** – The Croton EMS submitted a budget that decreases their expenses by \$7,340. The decrease reflects a reduction in the contractual amount for ALS services provided by OVAC (Ossining Volunteer Ambulance Corps), netted by increases in various operating accounts.

**Department of Public Works** – Overall the department of Public Works' budget request for fiscal year 2014-2015 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 in an overall increase of \$22,841 spread out in all areas of the department. However, \$21,000 of that amount represent contractual wage obligations for members of the Teamsters Local 456 and a small increase for non-contract personnel.

**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 \$201,421 less than what was budgeted last year at a total of \$1,603,832. If these 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 2014-2015 proposed budget reflects a reduction of \$134,309 due to employee contributions towards health insurance premiums and a change in carrier for Village retirees. Effective June 1, 2013, non-contract staff and members of the Teamsters Local 456 started making contributions towards health insurance premiums.

**Debt Service** – Short term debt has increased by \$35,700 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 a long term debt. The proposed budget also includes an increase of \$198,206 for long term debt.

**Assessed Valuation** – Contrary to fiscal year 2013-2014, the proposed budget for 2014-2015 reflects a decrease in Village Assessments. Residential assessments in the tentative roll realized an increase of \$57,836, the special franchises decreased by \$145,069; a net loss of \$87,233 and although the NYS ORPS maintained the Village's equalization rate, the trend in decreasing assessed valuation continues due to the down turn or flat market in real property values.

**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 2014-2015, we recommend an increase in water rates from \$5.89 per 100 cubic feet of consumption to \$6.69 per 100 cubic of consumption to cover the expenses related to the operations of the utility. As in the past three years a rate increase is also being recommended for the high usage customers.

**Sewer Fund** – Although the proposed budget for the sewer fund decreased by \$4,376, we are recommending a rate increase in order to meet expenses and costs projected for capital infrastructure improvements. Since sewer rents are calculated based on water consumption, due to water use restrictions imposed by the Village in 2012 and 2013, we have not been able to meet budgeted revenues. Therefore, we are also recommending increasing the sewer rates from \$0.5640 per 100 cubic feet of water consumption to \$0.6405 per 100 cubic feet of water consumption.

**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 2014-2015 before submitting their proposals. The submitted five year capital improvements plan serves to guide the future decision-making of the Board on capital expenses and major improvements. The capital budget for 2014-2015 is broken down into eleven major areas. They are:

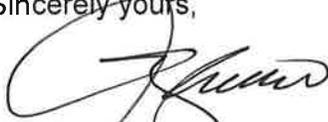
I.	Comprehensive Infrastructure Maintenance	\$750,000
II.	Equipment	\$320,000
III.	Equipment – Fire Department	\$990,300
IV.	Equipment – EMS Department	\$65,000
V.	Police Department	\$98,000
VI.	Municipal Garage/Parking Lot	\$85,000
VII.	Municipal Building Renovations	\$0
VIII.	Recreation Department	\$80,000
IX.	Planning Initiatives	\$0
X.	Water System Improvements	\$2,120,000
XI.	Sanitary Sewer Improvements	\$150,000

**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 2014-2015 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 7<sup>th</sup> 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 21, 2014.

Sincerely yours,



Abraham J. Zambrano  
Village Manager and Budget Officer

## 2014 Budget Work Session Schedule

March 3 – Call for Public Hearing

March 20 – File Tentative Budget

March 24 – DPW, Water & Sewer Funds

March 26 – Recreation  
Capital

April 2 – Police Department  
Fire Department

April 7 – Budget Public Hearing  
Regular Board Meeting

April 9 – EMS  
Parking  
Administration

April 16 – Wrap Up

April 21 – Budget Adoption  
Regular Board Meeting