



Mayor
Brian Pugh

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Village Manager
Bryan T. Healy

Village Treasurer
Daniel Tucker

Village Clerk
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March 20, 2024

Mayor Brian Pugh and Board of Trustees
Village of Croton-on-Hudson
1 Van Wyck Street
Croton-on-Hudson, New York 10520

Dear Mayor Pugh and Trustees:

Attached is the tentative budget for the Village of Croton-on-Hudson for the fiscal year 2024-2025. This budget is presented to you for your consideration and review in accordance with the provisions of Article 5 of New York State Village Law. The proposed budget has also been filed with the Village Clerk's office and will be made available to the public at the Croton Free Library, the Municipal Building (room 24), and on the Village website.

Tax Rate, Tax Cap, and the Allowable Levy

My tentative budget complies with the Property Tax Cap legislation, which this year has applied a tax base growth factor of 1.01% and an allowable levy growth factor of 2%. While not anticipated in my tentative budget, the Village Board has adopted a local law this year to override the property tax cap law, should it become necessary. There is \$100,594 available in carryover from the previous fiscal year and there is a total exclusion of \$51,399 from the calculation (related to retirement system expenses). This year's allowable levy limit is \$13,374,893, an increase of \$540,889 over last year's levy. I am proposing a tax levy of \$13,248,263, which is \$126,630 under the allowable limit and an increase of \$414,259 from the prior year.

The proposed tax rate for the tentative budget is \$286.094 per \$1,000 of assessed valuation. This represents an increase of \$7.659 per \$1,000 of assessed valuation resulting in a 2.75% increase in the tax rate. Based upon this proposed increase, the property representing the average assessment in the Village of 15,870 would pay an additional \$121.55 in Village taxes. The proposed budget for 2024-2025 reflects an increase in the Village's assessments of 214,073.

Since the tax levy cap law was instituted in 2012, the Village has remained under the tax cap for 11 of the 12 years. In the 2014-15 fiscal year, the Village did override the tax cap law and the levy was \$28,634 over the allowable limit. Overall, however, Village taxpayers have paid \$1,268,866 less in taxes compared to what the allowable levies were through the 2023-2024 fiscal year. Tax increases from the prior four years have been 1.98%, 2.73%, 2.38% and 0%.

Revenue and expenditure variances from the previous year:

Revenues:

- Non-tax revenues represent 36.85% of total appropriations. Projections for these revenues have been set at \$8,124,686. This represents an increase of \$955,891 over the last fiscal year.
- Parking revenues (a portion of the non-tax revenue listed above) are estimated at \$2,650,000. This is an increase of \$530,000 over the previous fiscal year. For reference, in 2019-2020, the parking revenue was estimated at \$3,735,000. Year-to-date (through March 15, 2024), the Village has earned approximately \$2.52 million in revenue from the parking lot, which includes the sale of all four permit quarters and the daily parking at the train station.
- I am anticipating that the solar canopy system at the train station will be online by December, allowing the Village to budget for six months of the full lease payments, which amounts to \$240,352. Adding in the six months of construction lease payments (\$28,518) totals \$268,870 in anticipated revenue from the solar canopy system.
- I am forecasting an increase in sales tax revenue of \$100,000 over the prior year's budgeted amount. This is based upon the actual year-to-date revenue we have received.
- The interest and earnings received by the Village are forecast to increase by \$20,000 over the prior year's budgeted amount. The Village has invested in the New York Cooperative Liquid Assets Securities System (NYCLASS), which provides a great return on investment for the Village while interest rates remain elevated. This amount is budgeted conservatively as interest rates are expected to decrease over this 12-month period.
- Court fines and forfeited bail are projected to increase in the amount of \$60,000. The Village has contracted with a new parking ticket company, which has worked diligently to address thousands of unpaid tickets over the past decade.
- I am forecasting an increase of \$52,000 in ambulance billables. Call volume for Croton EMS continues to increase each year, and the cost of the Village's billing company will no longer come out of this revenue account; there is now a line for this cost in the A4540 budget account.
- A recalculation of the staff time given to the water system has resulted in an additional \$100,000 being transferred to the General Fund from the Water Fund. The new forecasted amount to be transferred is \$375,000.

Expenditures

In the General Fund, the total estimated appropriations of \$22,047,949 represent an increase of \$1,282,709 from the previous year. The following list details the significant variances from the prior year.

Significant decreases in expenditures:

- The costs related to apparatus equipment and turnout gear for the Fire Department have been moved to the capital budget, resulting in a savings in the operating budget of \$71,700.
- The allocation of \$45,000 for the 125th Anniversary Committee has been removed as the anniversary year has concluded.

- The Village has completed upgrades to its IT infrastructure, resulting in a savings of \$19,151.
- As the MTA payroll tax rate did not change last year, the amount budgeted for this tax has been decreased by \$13,270.
- The flood insurance policy costs for the salt shed, Black Rock Park and Silver Lake Park have decreased by \$6,524.

Significant increases in expenditures:

- The budget creates one new full-time position, Police Officer (Spanish Speaking), at a starting salary of \$70,123. The position is funded as of September 1, which requires only 75% of the starting salary to be included in the budget.
- The contribution to the Fire Department Service Award Program is expected to increase by approximately \$96,000, as a result of the changes to the program approved by referendum in November 2023.
- The contribution to the New York State Police & Fire Retirees System has increased by \$176,690, based on the estimate provided by the system. This system only covers the police department in the Village as the fire department is all-volunteer.
- The Village's health insurance contribution has increased by \$223,933 due to increased premiums from the New York State Health Insurance Program (NYSHIP). A number of new employees have elected to take their spouse's health insurance, saving the Village from additional increased costs.
- Payments on the Village's bond anticipation notes (BANs) and bonds, which together make up the Village's debt service, have increased by \$192,529.
- The contingency account has been increased by \$65,000 in anticipation of unexpected costs.
- The costs associated with the paid EMT for Croton EMS and the paramedic fly car have increased by \$42,166, largely due to salary increases.
- New York State has implemented new requirements related to our required storm sewer report (MS4). As a result, the cost for preparing this report has increased by \$6,000.
- The budgeted amount for our tree service contract has increased by \$7,000 as the Village continues to be proactive in street tree maintenance.

Water Fund

I am recommending a 3% increase in the water rates. In the fiscal year ending May 31, 2023, the water fund had a surplus of \$568,200. However, water consumption continues to decrease due to high-efficiency fixtures, more rapid repair of leaks and general conservation efforts by Village residents. A surplus in the fund is necessary in order to help cover the cost of improvements to the water infrastructure (thus limiting the need to go out to bond for this fund) and make any necessary emergency repairs.

Sewer Fund

As of May 31, 2023, the sewer fund had a fund balance of \$757,411. A portion of this fund balance was slated to be used in the 2023-2024 fiscal year for capital purposes. I am proposing no increase in the sewer rates for the 2024-2025 fiscal year due to the healthy fund balance that presently exists.

Capital Program

The tentative budget includes a capital plan for the current year and four subsequent years. This is a change from previous years, which had an eight-year capital plan. Based upon a review of New York State law, a five-year capital plan is compliant and allows the Village to provide a more accurate representation of what is needed for the various departments. The capital budget for 2024-2025 proposes spending in the amount of \$5,513,900. This amount will be funded through long-term debt (discussed below), as well as utilizing \$375,000 from CHIPS funding, \$535,300 from the Gouveia Park special purpose fund, \$565,000 from existing capital accounts, \$1,600,000 in grant proceeds and \$675,000 from fund balance (General Fund and Sewer Fund).

Long Term Debt

I am recommending that the Village issue a bond in the amount of \$1,763,600 in the 2024-2025 fiscal year. This will result in a decrease in the total indebtedness of the Village. The General Fund debt will decrease by \$190,023, the Water Fund debt will decrease by \$748,869 and the Sewer Fund debt will decrease by \$84,406. This results in a total decrease in the Village's overall debt of \$1,023,298. Reducing overall debt year over year is a goal of the Village's adopted Debt Policy. The Village also remains well below the 16% maximum threshold indicated in the Debt Policy for interest and principal payments in the General Fund; the payments totaled 10.9% in fiscal year 2023-2024 and are projected to decrease to 10.8% in fiscal year 2024-2025.

Fund Balance

I am recommending utilizing \$675,000 in unassigned fund balance to balance the operating budget. Additionally, I am recommending that \$620,000 in General Fund unassigned fund balance and \$55,000 in Sewer Fund fund balance be used for the capital program in 2024-2025. The unassigned fund balance, as stated in the 2022-2023 final audit, was \$9,051,312. The Village Board has previously assigned approximately \$2.63 million of this fund balance to pay for the following items: new ladder truck for the fire department, drainage for the solar canopy system at the train station and the Grand Street retaining wall.

In sum, the present unassigned fund balance will be lowered to \$5,121,172, which is 23.2% of the proposed appropriations for 2024-2025. This allows the Village to remain within the guidelines of its Fund Balance Policy, which calls for a range between 17% and 25%.

The following is the list of meetings we have scheduled in order to review and adopt the budget.

I recommend that the Board review the department accounts prior to each meeting so that the staff can answer any questions the Board may have regarding each of the accounts.

Wednesday, March 27 – 7 p.m. - Public Hearing on the Tentative Budget

Wednesday, April 3 – 7 p.m. - Review of the Department of Public Works Budget
General Fund Account #s A: 1620, 1640, 3310, 3510, 5010, 5110, 5140, 5142,
5182, 7110, 7550, 8090, 8140, 8160, 8170, 8510, 8560
Water Fund Account #s F: 8310, 8320, 8340
Sewer Fund Account #s G: 8120

Thursday, April 4 – 7 p.m. - Review of the EMS, Police & Fire Department Budgets
General Fund Account #s A: 3120, 3189, 3410, 4540

Wednesday, April 17 – 7 p.m. - Review of the Recreation & Administration Budgets
General Fund Account #s A: 1010, 1110, 1210, 1230, 1320, 1325, 1355, 1362,
1410, 1420, 1440, 1650, 1680, 1910-1980, 1990, 4020, 5650, 6410, 7020,
7140, 7180, 7310, 7510, 7610, 8010, 8020, 8710, 8790, 9010-9060

There will also be a review of the proposed master fee schedule on this evening.

Thursday, April 18 – 7 p.m. - Review of Proposed Capital Budget & Budget Recap

Wednesday, April 24 – 7 p.m. – Regular Meeting & Budget Adoption

Sincerely,



Bryan T. Healy
Village Manager