



Mayor
Brian Pugh

Trustees
Ann Gallelli
John L. Habib
Sherry Horowitz
Andy Simmons

Village Manager
Janine M. King

Treasurer
Sandra Bullock

Clerk
Pauline DiSanto

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

March 13, 2020

Honorable Mayor and Trustees
Village of Croton-on-Hudson
1 Van Wyck Street
Croton-on-Hudson, NY 10520

Dear Mayor and Trustees:

Attached is the tentative budget for the Village of Croton-on-Hudson for the fiscal year 2020-2021. 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 Stanley H. Kellerhouse Municipal Building (room 24), and on the Village website.

This budget is a result of submissions from and discussions with each Department Head, and analysis and review by the Treasurer and myself. The tentative budget complies with the Property Tax Cap legislation; which this year has applied a tax base growth factor of 0.32%, an allowable levy growth factor of 1.78% and available carryover from FYE May 31, 2019 of \$179,988. The tax cap law allows the Village to either utilize the amount of unused levy from the prior year which was \$343,062 or 1.5% of the prior year's allowable levy of \$11,999,203 (\$179,988), whichever is less. The allowable carryover of \$179,988 would allow the Village to raise its tax levy limit to a maximum of \$12,081,572. I am proposing a tax levy of \$11,729,221 which is \$352,351 less than the allowable limit and an increase of \$73,080 from the prior year. The proposed tax rate for the tentative budget is \$260.337 per \$1,000 of assessed valuation. This represents an increase of \$0.754 per \$1,000 of assessed valuation resulting in a 0.29% increase in the tax rate. Based upon this proposed increase, the property representing the median assessment in the Village of 14,700 would pay an additional \$11.08 in

Village taxes. The proposed budget for 2020-2021 reflects an increase in the Village's assessments of \$150,685.

Since the inception of the tax levy cap law instituted in 2012 the Village has remained under the tax cap for 8 of the 9 years (including this year). 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, the Village tax payers have paid \$1,011,043 less in taxes compared to what the allowable levies were for the 9-year period.

There are a variety of factors which have enabled the Village to remain well below the tax levy limit for this fiscal year 2020-2021.

In addition to the slight increase in Village assessments the following represents some of the major changes in revenues and expenditures from the previous year.

Revenues:

- Non-tax revenues represent 40.5% of the overall revenue sources in 2020-2021. Projections for these revenues have been set at \$7,985,569; an increase of \$214,055 over the prior fiscal year.
- Since the majority of non-tax revenues are projected to increase or remain flat, I am taking this opportunity to reduce the transfer from the Water Fund to the General Fund in order to more accurately reflect the percentage of time spent by personnel whose salaries are charged to the General Fund. Based upon my updated allocation schedule, I am reducing the Water Fund transfer to the General Fund from \$320,000 to \$270,000.
- Parking Revenues are projected to increase by \$141,000. This is a conservative estimate reflective of the increased parking spaces from the relocation of the DPW facility.
- I am forecasting an increase in sales tax revenue of \$250,000. This is based upon the increased revenue we have received in the second half of this year from the increase in the sales tax percentage.
- I am not recommending any appropriation from the undesignated general fund in order to balance the budget.

Expenditures

Every effort has been made to either lower or maintain the level of discretionary expenditures. The total estimated appropriations of \$19,714,790 represents an increase of \$287,134 from the previous year. The following represents the significant variances from the prior year.

Significant Increases/decreases in expenditures:

- Salaries for the full time employees have increased by approximately \$180,000, reflecting contractual increases for the Teamsters, Croton Police Association, and increases for the management staff.
- The most significant increase in expenditures is in the debt payments which are \$212,000 greater than the previous year. This reflects the Village's sale of a long-term bond for \$3.3 million this fiscal year.
- Pension costs have been lower over the previous two years and health care costs did not increase in 2020. I have reduced the budgeted amounts for pension costs by \$120,000 and health care costs by \$50,000 to reflect this.

Water Fund - I am recommending a 5% increase in the water rates. In the fiscal year end 2018/19 the water fund had a deficit of \$129,584. Water consumption has significantly decreased over the past two years. By reducing the transfer from the Water Fund to the General Fund and increasing water rates the deficit should be reduced and possibly moved to surplus over the next year. A surplus is necessary in order to help fund the improvements to the water infrastructure and make any necessary emergency repairs.

Sewer Fund – As of May 31, 2019 the sewer fund had a deficit of \$42,666 which reflects a \$108,000 surplus in the 2018/19 fiscal year. I am proposing a rate increase of 5% for the 2020-2021 fiscal year to continue offsetting this deficit.

Capital Program – The Proposed Budget includes a capital plan for the current year and eight subsequent years. The capital budget for 2020-2021 proposes issuing a long term bond in the amount of \$5.8-million and utilizing \$1.3-million from unallocated fund balance. The long-planned Croton Point Avenue Traffic, Bicycle, and Pedestrian Enhancement Project will begin construction in April 2020. In addition, the Village is planning for the renovation of the Police Department which is scheduled to begin in the Fall of 2020. The utilization of fund balance is in compliance with the recently adopted fund balance policy of keeping between 17%

and 22% of the general fund appropriations as unallocated fund balance. By utilizing \$1.3-million the unallocated fund balance will be lowered to \$4.4-million which is 22% of the proposed appropriations for 2020-2021.

The following is the list of meetings we have scheduled in order to review and adopt the budget. These dates are revised from the list of meetings adopted at the Organizational Meeting. 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.

March 23, 2020	Manager's Presentation of the Budget Review of the Department of Public Works 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 #sF:1320, 1650, 1910-1980, 1990, 8310, 8320, 8340, 9000, 9060, 9730, 9901 Sewer Fund Account #s G:1320, 1650, 1910-1980, 1990, 81209010-9050, 9060-9062, 9730, 9901 Review of the Recreation Budget General Fund Account #s A:7020, 7140, 7180, 7310, 7610,
March 25, 2020	Review of the Fire Department and EMS Budget General Fund Account #s 3410, 4540 Review of the Police Department Budget General Fund Account #s A: 3120, 3150, 3189
March 30, 2020	Review of capital budget and proposed fees
April 6, 2020	Public Hearing on the budget. Regular meeting to begin after its conclusion.
April 13, 2020	Further review and recap of any changes
April 27, 2020	Budget Adoption. Regular meeting to begin after its conclusion.

Sincerely,



Janine King
Village Manager