DRAFT

Public Hearing of the Board of Trustees of the Village of Croton-on-Hudson, NY on the ***Tentative 2022-23*** Village Budget was held on Monday, March 28, 2022, in the Georgianna Grant Meeting Room at the Stanley Kellerhouse Municipal Building, Van Wyck Street, Croton-on-Hudson, NY 10520.

The following officials were present:

Mayor Pugh	Trustee Gallelli
Village Manager Healy	Trustee Horowitz
Village Treasurer Tucker	Trustee Rosales
	Trustee Simon

1. *CALL TO ORDER*:

Mayor Pugh called the meeting to order at 7:00pm. Everyone joined in the Pledge of Allegiance.

2. *PUBLIC HEARING – 2022-23 Tentative Budget Simon/Horowitz to open*

Motion to open the Public Hearing on the 2022-23 Tentative Budget was made by Trustee Simon. Motion was seconded by Trustee Horowitz and approved with a 5-0 vote.

To view Village Treasurer Tucker's Power Point presentation on the proposed 2022-23 Tentative Village Budget you may log onto the following:

https://play.champds.com/ATT/crotononhudsonny/2022-03/668fae85a210c24455bf3b11a8d040d229ff89a3.pdf

Proposed Budget Summary for 2022-2023

Total Appropriations	$19,230,228
Less Non-Tax Revenues	$6,003,134
Less Appropriated Fund Balance	$400,000
Sub-Total	$6,403,134
Total Tax Levy	$12,827,094
Tax Rate Per 1000	$281.930
Current Tax Rate	$271.956
Increase in dollars	$9.974
Percentage Increase	3.67%
Assessed Valuation	$44,116,295.00

Special Franchises	$1,381,214.00
Total Taxable Valuation	$45,497,509.00

Tax Levy Cap Calculation

Tax Levy for Fiscal Year 2022	$12,340,998
Tax Base Growth Factor	1.0058
Allowable Levy Growth Factor	1.0200
Available Carryover from Fiscal Year 2022	0
Total Levy Limit Before Exclusion	$12,660,827
Fiscal Year Tax Levy Limit Plus Exclusion	$12,660,827
2023 Proposal Levy	$12,827,094

Trustee Simon asked the Manager to explain the “Tax Base Growth Factor.”

Village Manager Healy explained that the “Tax Base Growth Factor” is the growth of the “Assessed Valuation” of all the properties in the Village, this year we saw a slight increase of approximately $118,000.

Village Treasurer Tucker stated that the projected tax increase for a home with a medium Assessment of $15,870 would result in an estimated increase of $158.00 for the annual Village Tax.

Village Treasurer Tucker advised that the Water Fund’s appropriations of $2,676,639 results in a proposed 5% increase bringing the water rate to 10.0343 per one hundred cubic feet of usage, there are no increases in the Sewer Rates this year, the proposed Capital Fund expenditures includes $625,000 for Infrastructure, $328,000 for Equipment, $700,000 for Fire Department Equipment, $200,000 for EMS, $50,000 for the Municipal Building, $180,720 for the Police Department, and $10,000 for the Recreation Department for a total of $2,093,720, the proposed Capital Project Funding includes a General Fund Debt Issuance of $1,549,644, as well as Grant money of $284,076, CHIPS money of $250,000, and funds from the Trust Account of $10,000. Village Treasurer Tucker noted that between Fiscal years 2017 and 2022 the amount of Debt has decreased by just over five million dollars (a 13.63% decrease in the total Debt) and the total Debt for 2023 of $34,354,728 is still lower than the Debt in Fiscal Year 2022.

Trustee Simon stated that he believes that Albany may have additional CHIPS funding and asked how this additional funding impacts the total amount of our General Fund Debt Issuance.

Village Manager Healy stated that in addition to the $250,000 from CHIPS, we are proposing an additional $100,000 to fund roadway improvements through the Debt Issuance, but if we were to get the additional $100,000 from CHIPS, we could take that off, or keep it in the Budget to do more roadway improvements.

Village Manager Healy referred everyone to his Budget Memo wherein he explains in more detail the Bond Issuance. Village Manager Healy added that the Debt Issuance would still result in a total reduction in the overall Village Debt by $1,159,585. To view the Manager's memo, you may log onto the following:

https://www.crotononhudson-ny.gov/sites/g/files/vyhlif441/f/uploads/budget_message_2022-2023.pdf

Village Manager Healy explained that the only reason the Village was able to appropriate such a large amount of Fund Balance last year was because of the impending sale of the "Katz" property.

Mayor Pugh stated that this year's appropriate of $400,000 is also backed by the second injection of money from the "American Rescue Plan Act" which should come in July.

Public Comment

Stuart Greenbaum, 48 Mount Airy Road, Croton on Hudson, stated that he is surprised to see the decline in water usage considering that so many people have been home during the Pandemic and asked if anyone knows why.

Trustee Gallelli stated that over the years the Village has made some major water structure improvements and the MTA has also improved their water management considerably and their efficiency has resulted in a significant decrease in revenue.

Trustee Simon stated that residents are also conserving more by using more efficient devices.

Village Manager Healy added that while more people were home during the Pandemic some of our higher-end users like the schools and businesses were closed that resulted in less water usage, additionally hot dry summers as opposed to wetter summers also have an effect on water usage.

John Sasso, 87 Morningside Drive, Croton on Hudson, asked the Board to consider funding a Bocci Court at Black Rock Park.

Joel Gingold, 55 Nordica Drive, Croton on Hudson, suggested that the Board take a look at the number of Village vehicles to determine if they are all necessary and to see if the Village can do with less, he is also concerned with the Village's gargantuan debt, out of the five hundred and fifty seven Villages in New York State, Croton is one of the most indebted Villages, in contrast the Town of Cortlandt's Debt Service is 3% and the School District's Debt is 8.5% of their total Budgets. Mr. Gingold stated that he understands that the proposed Budget is only projecting about $1.5 million in new borrowing but in the following two fiscal years the Board proposes to borrow $10.5 million and as we know interest rates are already rising and this cannot go on, if some unforeseen circumstances arise requiring the expenditure of perhaps millions of dollars, we will be ill-prepared to accommodate it and is concerned about Croton's fiscal future. Mr. Gingold stated that he also supports a Bocci Court.

Village Manager Healy explained that the funding sources in the Capital Plan for the Fiscal Years 2024 and forward have not been determined, we include all expenditures in the Capital Plan including those funded through Grants, Trust Accounts or Debt Issuance and just because it is in the plan, it does not mean the Board anticipates funding it exclusively through Debt.

Sam Watkins, 30 Lounsbury Road, Croton on Hudson, stated that he is not an expert at finances, but expects that the Village Manager has done an excellent job in looking at our shortfall and in doing the best he could to prevent it from being a continuing problem, and supports the Budget that Mr. Healy has presented. Mr. Watkins stated that he also supports the Bocci Court.

Ed Riely, 110 Truesdale Drive, Croton on Hudson, stated that Westchester County is the highest taxed County in the United States and reminded everyone that any Grant money we receive from the State or from the Federal Government is money that comes from tax-payers, and someone is paying for it. Mr. Riely reminded everyone that we currently have a 7.5% inflation rate, gas and food prices are the highest they have ever been, and the Federal Reserve Chairman indicates that the inflation rate will not go down for three years so when we talk about financing debt, we should be concerned about the future. Mr. Riely stated that the three biggest entities in the Village, the State run railroad, the County of Westchester, and the School District do not give anything to the Village in terms of tax money and urged the Board to shake down these three entities for money. Mr. Riely also suggested that the Board write a letter to the President asking him to get this economy under control, and recommended that an audit be done on all environmental initiatives in the village.

Written Comments

Daniel Bennett, 40 Van Wyck Street, Croton on Hudson, asked the Board to go back to the drawing board, he feels that this increase is not justified, and believes that the Village does not have a revenue problem, but a spending problem and cuts need to be made.

There being no further comments to come before the Board a motion to close the meeting was made by Trustee Gallelli. Motion was seconded by Trustee Simon and approved with a 5-0 vote.

BOARD COMMENTS

Mayor Pugh stated that with respect to borrowing, and as highlighted by the Treasurer, the trend line is in a pretty clear direction downward and we also need to have an honest understanding of what Bonding is and what Debt Service is, we do not borrow to pay for Operating expenses, we follow the law in sound accounting practices to make sure that those Bonds are consistent with the expected useful life of a Capital expenditure and the funds are being used to pay for specific items, these items need to be paid for one way or the other and the interest payments is a relatively small fraction especially over the last several years. Mayor Pugh stated that we are still operating with a Budget that is still significantly less than our pre-Pandemic Budget in spite of everything but nonetheless, we have a tremendous challenge ahead of us in terms of revenues.

Trustee Gallelli congratulated Village Treasurer Tucker and Village Manager Healy for presenting the Board and community with a very well thought out Budget and providing the Board with a good basis for our discussions going forward. Trustee Gallelli reminded everyone that the Board will be meeting with various Departments in work session, and as we publicize those, she hopes that residents will take a look at those individual Department Budgets and provide comments to the Board, as the Mayor noted, we are still coming in at a lower Budget then what we had in 2019 and believes that this is a success in of itself.

Trustee Simon shared President Biden's comment after he delivered his Budget, "your budget is your best expression of policy." Trustee Simon stated that Budgets are all about adjustments and changes and he looks forward to going through each Department's Budget as well as hearing from the community.

Trustee Rosales also thanked Treasurer Tucker and Manager Healy and all those that came to the meeting this evening, he understands that this is going to be a challenge, but we need to be fiscally responsible to make sure that we pay for our priorities, and reduce borrowing to the extent that we can. Trustee Rosales stated that he does see anything problematic at this time, but he does see a commitment from the entire Board to delve into the Budget even more.

Trustee Horowitz congratulated Village Treasurer Tucker and Village Manager Healy for putting together an extremely helpful and meaningful Budget presentation and for giving the Board and residents a better understanding of the entire process.

There being no further comments to come before the Board, a motion to close the meeting was made by Trustee Horowitz. Motion was seconded by Trustee Simon and approved with a 5-0 vote. Meeting adjourned at 8:03pm.

Respectfully submitted,

Judy Weintraub, Board Secretary

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Paula DiSanto, Village Clerk