



# VILLAGE OF TARRYTOWN

One Depot Plaza, Tarrytown, New York 10591-3605

www.tarrytowngov.com

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March 18, 2022

Honorable Mayor Karen G. Brown and Board of Trustees  
Village of Tarrytown  
One Depot Plaza  
Tarrytown, New York 10591

Re: Fiscal Year 2022-2023 Village of Tarrytown Tentative Budget

Honorable Mayor Brown and Members of the Board of Trustees:

In my capacity as Budget Officer for the Village of Tarrytown, I respectfully submit the tentative budget for Fiscal Year 2022-2023 (FY 22-23).

This proposed budget is the eleventh tentative Village budget that is subject to the New York State 2-Percent tax levy cap, which became permanent state law with the adoption of the 2019-2020 NY State Budget in Spring of 2019. Working collaboratively with the Board of Trustees and the Department Heads, all of the budgets that have been adopted by the Board of Trustees since the implementation of the tax levy cap have complied with the cap.

For the upcoming fiscal year, the tentative budget for FY 22-23 includes the following funds, totals and/or levy:

• General Fund Budget	Property tax levy of \$18,928,659	Total \$27,611,046
• Library Fund Budget	(library tax levy included with overall levy)	Total \$ 1,821,974
• Water Fund Budget	Water Revenues of \$5,715,040	Total \$ 5,715,040
• Sewer Fund Budget	Sewer Revenues of \$220,677	Total \$ 220,677
	All funds:	Total \$35,368,738

## Village Tax Levy

Pursuant to the ongoing policy direction from the Board of Trustees, I am submitting a tentative budget that meets the requirements of the New York State tax levy cap. The tax levy cap is a percentage limit on the increase in the total tax levy, either the CPI or 2%, whichever is lower. The TAX LEVY CAP (different than the tax levy rate) calculation for Fiscal Year 2022–2023 is included in Exhibit A, which is contained in this

budget message. The information included in the tax cap calculation is taken directly from the Property Tax Cap Form completed annually by the Village on the New York State Office of the State Comptroller website. Based on the Inflation Factor of 4.23%, the levy limit for our budget this year defaults back to the maximum 2%, which translates into an Allowable Levy Growth Factor of 1.0200. Furthermore, because Tarrytown is experiencing continued growth, mostly from already-built units coming online and being issued Certificates of Occupancy, we also have a Tax Base Growth Factor this year of 1.0151. We also have a carryover from prior years of \$218,259. Therefore, based on the State's total calculation, the Village has the ability to increase our total tax levy by \$870,525, but we are proposing to increase it only by \$535,800. While we want to lose as little as possible of any of our NYS Tax Cap carryover from prior years, and we have fiscal needs in terms of capital expenses and paying judgments and claims (especially for certiorari), we propose to leave a remaining carry-over to be used in future years in the amount of \$334,725. The bottom line is that the Tentative 2022-2023 Village Budget complies with the 2% tax cap.

For comparison purposes, the chart below lists the amount that the tax levy could be increased and allow the Village to remain within the tax levy cap and the actual increase in the tax levy adopted by the Board of Trustees since the institution of the tax levy cap in 2012. You may note the tax levy was reduced in FY 15-16.

Fiscal Year	Tax Levy Allowable Increase	Actual Tax Levy Increase
FY 12-13	\$686,738	\$333,131
FY 13-14	\$1,081,435	\$322,860
FY 14-15	\$452,413	\$447,554
FY 15-16	\$464,800	(\$101,338)
FY 16-17	\$253,888	\$247,444
FY 17-18	\$454,989	\$424,474
FY 18-19	\$925,750	\$690,656
FY 19-20	\$900,823	\$824,600
FY 20-21	\$953,201	\$879,894
FY 21-22	\$841,798	\$564,896
	Allowed	Tentative/proposed
FY 22-23	\$870,525	\$535,800

It is important to note the state law does not cap the actual TAX LEVY RATE that will be established by the Village. Since we have transferred our Assessing function to the Town of Greenburgh, the Town is keeping the property values current at present day values, reflective of the market. This tentative budget marks the sixth year that the Village will be utilizing the Town of Greenburgh assessment roll for the Village. The Town completed a reassessment for the entire Town in 2016 and at that time the Board of Trustees accepted the Town assessment roll for the Village. The Town recently performed a five-year cycle, town-wide update in values, and Tarrytown's assessed full values established by the Town total \$2,286,841,969. Last year the total taxable assessed values were \$2,153,682,363, so total taxable values have increased by \$133,159,606, or an increase of six point one eight percent (6.18%).

The TAX LEVY RATE per thousand dollars of value this year is proposed at \$8.2772, compared to \$8.5402 last year, which means the tax levy rate for Fiscal Year 2022-23 is decreasing by \$ .2630 per thousand dollars of assessed value, which equates to a 3.08% decline in the tax levy rate.

The development of this tentative budget reflects the same framework as previous budgets – to maintain the services our residents have come to expect with the minimum tax increase to fund those services.

### **Economic special considerations:**

Two years ago, while writing up the budget message, we noted the drastic changes to the economy, including the fact that global stock markets suffered what had been termed Black Monday 2020. On March 9, 2020 the main financial indices in the US, Europe and Asia dropped between 7% and 8%. “The Dow Jones Industrial Average sank by 7.8% or more than 2,000 points – the biggest points-drop in history and the largest decline in percentage terms since the financial crisis.” (Source: BBC News online, *Global shares plunge in worst day since financial crisis*, March 9, 2020.) The pandemic shut down society, causing a shift in economy-dependent revenue streams like parking revenues and hotel taxes. The shut-downs and financial impacts continue to affect the Village by causing our non-property tax revenues to continue to lag by more than one million dollars. One of the largest sources of revenues impacted by the pandemic-influenced economy is the loss of commuter permit parking revenues, which have still not passed the 50% recovery point.

Of note, the CPI for all items rose nation-wide 7.9% over the past year, and in the NY Metro area the CPI is 5.1% over the past year. Energy prices have been worst hit, at a 25.6% increase over the last year. (Source: <https://www.bls.gov/cpi/>) In turn, unemployment was reported at 3.8% for the month of February (Source: <https://data.bls.gov/timeseries/LNS14000000>), although that does not adjust for workers who have accepted lower paying jobs, or workers who have retired and withdrawn from the workforce.

Nevertheless, it seemed, after two years of dealing with the COVID-19 pandemic including its many variants and the many resulting social changes, workplace habit adjustments and economic wobbles, that the world might be on the steady but gradual path of returning to normalcy. Unfortunately for the world, Russia initiated its invasion of the Ukraine on Thursday, February 24, 2022, causing new, severe impacts on the economy. In response to Russia’s acts of war, the U.S. and its global partners and allies imposed severe sanctions on Russia.

While the U.S. economy was clambering to regain its feet, one of the most severe impacts on the local and national economy has been a huge rise in the price of oil, which in turn translates into major increases in the prices for gasoline and diesel fuel, higher prices for asphalt pavement and higher prices for other petroleum based products including plastics. As of this writing (week of March 7, 2022), the average price for a gallon of Regular Grade gasoline is \$4.314, which is a 57.7% change over the price per gallon of \$2.735 from a year ago (source: NYSERDA <https://www.nyserda.ny.gov/Researchers-and-Policymakers/Energy-Prices/Motor-Gasoline/Weekly-Average-Motor-Gasoline-Prices>).

So now we have rising inflation, add supply chain issues, and top it off with a major increase in gas prices, and there is significant uncertainty heading into this fiscal year.

As of this date, the Office of the State Comptroller has provided the following evaluation of New York’s economy.

#### Economic Outlook

After a strong start in the first half of 2021, economic growth nationally faltered in the third quarter due in part to supply chain issues and a surge in COVID-19 cases over the summer which dampened consumer spending. However, the impact of these issues did not carry over into the fourth quarter. According to the U.S. Bureau of Economic Analysis, the national economy grew by 5.7 percent in 2021, and DOB projects this growth to continue in 2022 at a robust pace of 4.3 percent, before returning to trend growth for the next three years.

By January 2022, employment nationwide had yet to return to pre-pandemic levels, with nearly

87 percent of jobs lost having been recovered. DOB estimates national employment to increase at a faster rate in 2022, 3.5 percent, with full job recovery from the pandemic by the end of the year.

Employment recovery in New York was slower in 2021. By the end of the year, less than two thirds of the jobs lost were recovered. While DOB projects employment to grow by 5.6 percent in 2022, it does not expect full job recovery in the State until 2024.

Nationally, the labor force has shrunk by 1.4 percent from pre-pandemic levels due in part to those who dropped out because of health and safety reasons or retirement, or possibly those who chose to be self-employed. In New York, the number of workers has also been falling; according to the NYS Department of Labor, there were nearly 275,000 less people in the labor force in December 2021 than at the beginning of the pandemic.

(Source: <https://www.osc.state.ny.us/files/reports/budget/pdf/executive-budget-review-2022-23.pdf>, page 3)

With regard to the NYS Retirement System the following was reported by the NYS OSC:

The New York State Common Retirement Fund's (Fund) estimated return in the third quarter of the State Fiscal Year (SFY) 2021-22 was 4.74% for the three-month period ending Dec. 31, 2021, according to New York State Comptroller Thomas P. DiNapoli. It ended the quarter with an estimated value of \$279.7 billion.

"A strong third quarter kept our state pension fund on track, despite ongoing market volatility," DiNapoli said. "Our focus, as always, remains long-term, sustainable investment returns that will ensure our members and their beneficiaries continue to have secure pensions for generations to come."

The Fund's estimated value reflects benefits of \$3.62 billion paid out to retirees and beneficiaries during the quarter. Its audited value, as of fiscal year end March 31, 2021, was \$258.1 billion and the SFY 2020-21 annual return was 33.55%.

(Source: <https://www.osc.state.ny.us/press/releases/2022/02/nys-common-retirement-fund-reports-third-quarter-results>)

This translates into good news for the Village, since the common retirement fund is doing well, the estimated contributions from municipalities are seeing a decline, as seen in the forecasted rates for our pension system payments that will be due in December of this year.

### **Federal ARPA Aid**

The Federal American Rescue Plan Act (ARPA) became law when President Biden signed it in March of 2021. During the summer of 2021, the Village of Tarrytown received our first of two ARPA payments in the amount of \$583,075 and will receive the second of two payments in the same amount in the summer of 2022. While this helps the Village's budget remain stable for the upcoming year, we are mindful of the fact that this funding stream (right now) is not continuing past the 2022-2023 fiscal year.

### **Year to Year changes in the Budget:**

A number of cost drivers impacted the development of the tentative budget, which are listed below. The number provided in the category of tax rate increase only considers that particular increase or decrease and is strictly to evaluate the tentative budget document and the proposed tax rate increase.

### **Expenditures**

- The Engineering Department personnel line increased by \$94,383, or 63.3%, to fund the new position of Assistant Village Engineer, to help with the ongoing heavy workload of projects, activities and reviews that are processed through the office, and reduce some of the Village's reliance on consultants.
- The Police Department personnel lines increased in total by \$215,860, or 3.8%, which reflects the impacts of some changes within the department, including the contractual salary increase of 2.6% effective 6/1/2022. Also the Village has included the creation of an additional sergeant position, so that we can have supervision on all tours.
- The Police Department new equipment line includes the restoration of the funding for police vehicles that had been moved to the capital budget as one of our pandemic-related fiscal austerity measures. This restores \$117,000 to the operating budget and helps us avoid borrowing for this purchase with interest.
- The two pension budget fund allocations decreased jointly by \$221,975, or roughly a 10.9% decrease. This shows (this year) the positive impacts of the market on the investments of the New York State Retirement System, and the positive management of the fund by the NYS Comptroller's Office.
- Medical Insurance increased by \$182,159, or 5.62%, due to increases in the Empire Plan's rates.
- The Debt Service budget line was reduced significantly in FY 2021-2022, following the Village's successful efforts to refinance eligible debt that had higher interest rates. This year, the benefit of that refinancing continues with a small reduction in annual debt payments by \$48,250 or -1.38%.

### **Revenues**

Overall, Revenues for the Village have been adjusted based on trends and actual experience in what we have received for various revenues. Some of the 5 most important revenue streams we utilize, besides property taxes, are – Sales Taxes, Mortgage Taxes, Building Permit Fees, Hotel/Motel Occupancy Taxes, and Parking Revenues from both on-street meters and parking lots. However, it is important to note that these are projected in the Tentative Budget as follows:

Big Non-Tax Revenues	2018-19 actual	2019-20 actual	2020-21 actual	2021-22 Adopted	2022-23 Tentative	5 yr avg
Sales Tax (1120)	1,838,046	2,172,136	2,737,665	2,100,000	2,510,000	2,271,569
Mortgage Tax (3005)	218,618	259,252	266,950	175,000	250,000	233,964
Building Permits (2590)	1,427,310	472,510	827,474	620,000	720,000	813,459
Hotel Tax (3006)	486,579	428,804	160,507	210,000	360,000	329,178
Parking (Lots)1720	772,366	769,995	194,750	220,560	215,100	434,554
Parking (Street)1740	1,094,091	941,606	420,288	399,000	616,500	694,297
Parking net	1,866,457	1,711,601	615,038	619,560	831,600	1,128,851

It's important to note that the Village is projecting, comparing 2018-2019 (the year before the pandemic) to the upcoming fiscal year 2022-2023, a continued shortfall in Big Non-Tax Revenues – specifically in Hotel Tax (3006), Parking Lots (1720), and Parking on-Street (1740) – by a total of \$1,161,436.

Based on the gradual recovery of the General Fund Revenues, and the steady financial conditions of the Water Fund, we have discontinued the transfer into the General Fund from the Water Fund. This is particularly timely considering the fact that the Village is currently out to bid on a Village-wide water meter replacement project, which will be part funded with \$650,000 in monies already borrowed and with the balance recommended to come from Water Fund Operating Funds or Water Fund Fund-Balance.

### Budget Summary

Below, is a summary of the tentative budget proposals for the General Fund, Water Fund and Library Fund.

**GENERAL FUND** - The tentative budget for Fiscal Year 2022-2023 includes General Fund appropriations of \$27,611,046 and non-property tax revenues and fund balance of \$8,682,387. The appropriations/expenditures in the tentative budget increased by \$645,502, a 2.39% increase in spending. Non-property tax revenues and use of surplus increased by \$109,702 in the tentative budget, an increase of one point two eight percent (1.28%). The tentative budget provides for an increase in the amount of the real estate tax levy by \$535,800, an increase of 2.91% from FY 21-22, which is within the 2% cap because of our tax base growth factor of 1.0151 and allowable levy growth factor of 1.02. Again, we are leaving \$334,725 on the table, to be carried forward to next year for use next year if need be. Realizing that the Federal ARPA aid is only covering this coming year, use of the carryover next year is something the Board must bear in mind.

- The proposed tax rate is \$8.2772 per \$1,000 of assessed valuation, a 3.08% reduction in the tax levy rate by \$.2630.
- Assessed Values increased from \$2,153,682,363 to \$2,286,841,969. This translates into a total increase in assessed values by \$133,159,606, by 6.18%.

The Expenditure Summary provides a breakdown of the expenditures (in general categories) in the tentative budget for the General Fund.

**WATER FUND** - The 2022-2023 tentative budget for the Water Fund provides for appropriations and revenues of \$5,715,040 down from the base expenditures of \$6,019,959 for 2021-2022, a decline of (\$304,919) or 5.07% for base operations in the Water Fund.

**LIBRARY FUND** - The tentative budget for the overall Library Fund is \$1,821,974, up from \$1,790,065, showing an increase of \$31,909, representing a 1.78% increase from the FY 21-22 adopted budget. Increases in the tentative budget were in salaries and related personnel costs and building maintenance.

### Property Taxes:

Property taxes are the primary source of funding for the operation of municipal governments (Village, Town and County) and school districts in New York State. Although property taxes are commonly categorized together when residents refer to property taxes, it is important to distinguish the variety of taxing entities that receive property taxes for operational purposes and the level of property taxes each entity receives. Village taxpayers can then better identify the taxes paid and the services received by the taxpayer from each of those taxing entities. The following charts provide information as to the tax dollars paid by a property owner assessed at the average assessed value in the Village and the proportionate share of the total tax obligation attributable to the various taxing entities that impact a Village property owner.

COMPARISON – AN ESTIMATE OF WHERE YOUR TAX DOLLARS GO  
Comparison of Taxes Paid Based Upon Percentage of Tax Bill

Taxing District	Union Free School District of the Tarrytowns	Irvington Public School District
Town/County/Sewer/Solid Waste	12.93%	13.74%
School District	62.53%	60.19%
Village	24.53%	26.07%

Please note that the tables above reflect tax bills and consolidated rates for Town/County/County Sewer and County Solid Waste taxes. All taxes reflect tax bills issued for the differing 2019 taxing years, retrieved from tax bills and information published by the Westchester County Tax Commission.

The Village Administrator, as Budget Officer, is responsible for the development of the tentative budget, which by New York State law must be submitted to the Village Clerk on or before March 20 each year. The tentative budget is a collaborative document developed with the input and assistance from all Department Heads, the Assistant Village Administrator and in direct partnership with the Village Treasurer. Making the budget work through these trying times has been a team effort, and thanks are owed to all department heads and staff who worked so diligently to maintain our budget and make things work within continued tight conditions.

The tentative budget can be modified based upon decisions made by the Board of Trustees as the policy makers of the Village. The budget process provides an opportunity to solicit input from Village residents and other interested parties. The important dates associated with the adoption of a final budget are as follows:

- The Budget Public Hearing is scheduled for Monday, March 21, 2022, and may continue but must be adjourned on or before the budget adoption night, which is scheduled for Monday, April 18, 2022.
- Budget adoption by law must be on or before May 1 (Adoption is tentatively scheduled for April 18, 2022).

The Department Heads, the Village Treasurer and I are all available during this tentative budget review to analyze any proposal that you believe should be considered during this process of creating the new Village budget for Fiscal Year 2022-2023. I would like to take this opportunity to thank the Department Heads, the Village Treasurer and his staff, and Deputy Clerk Alissa Fasman for their invaluable assistance in the collection and creation of documents that contributed to the development of this tentative budget document, as well as the collaborative process we have in place working with you, the Mayor and Board of Trustees, as the policy making body for the Village of Tarrytown.

Respectfully submitted,



Richard Slingerland  
Village Administrator  
and Budget Officer

cc: Jim Hart, Village Treasurer  
Department Heads

EXHIBIT A

TAX LEVY CAP CALCULATION – FISCAL YEAR 2022-2023

**Tax Levy Limit Before Adjustments and Exclusions**

Tax Levy FYE 5/31/2022	\$18,392,859
Tax Cap Reserve Offset from FYE 2021 Used to Reduce 2022 Levy	\$0
Total Tax Cap Reserve Amount (including interest earned) from FYE 2022	\$0
Tax Base Growth Factor	1.0151
PILOTS (Payments in lieu of taxes) receivable in FYE 5/31/2022	\$17,702
Tort Exclusion Amount Claimed in FYE 5/31/2022	\$0
Allowable tax levy growth factor	1.02% *
PILOTS receivable in FYE 5/31/2023	\$16,934
Available Carryover from FYE 5/31/2022	\$218,259
<b>Total Levy Limit Before Adjustments/Exclusions</b>	<b>\$19,263,384</b>

**Adjustments for Transfer of Local Government Functions**

Costs Incurred from Transfer of Local Government Functions	\$0
Savings Realized from Transfer of Local Government Functions	\$0
<b>Total Adjustments</b>	<b>\$0</b>
<b>Tax Levy Limit, Adjusted for Transfer of Local Government Functions</b>	<b>\$19,263,384</b>

**Exclusions**

Tax Levy Necessary for Expenditures Resulting from Tort Orders/Judgments Over 5%	\$0 **
Teacher's Retirement System Exclusion (NA)	\$0
Employees Retirement System Exclusion	\$0 ***
Police and Firefighters Retirement System	\$0
<b>Total Exclusions</b>	<b>\$0</b>

<b>Total Levy Limit, Adjusted for Transfers, Plus Exclusions</b>	<b>\$19,263,384</b>
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<b>Total Tax Cap Reserve Amount Used to Reduce FYE 2023 Levy</b>	<b>\$0</b>
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<b>FYE 2023 Proposed Tax Levy, Net of Reserve</b>	<b>\$18,928,659</b>
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<b>Difference between Tax Levy Limit and Proposed Levy (carryover to future years)</b>	<b>\$334,725</b>
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<b>Does the Village of Tarrytown plan to override the Tax Cap for FYE 2023?</b>	<b>No</b>
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\*The allowable tax levy growth factor can never exceed 2%; however, the growth factor can be more or less than 2% based upon the level of inflation. The tax levy cap percentage for the tentative budget, including the tax base growth factor and allowable levy growth factor, is 4.73%, but our increase is 2.91%.

\*\*Tort orders/judgments over 5% of the tax levy may be excluded from the tax levy cap calculation. We use 0.

\*\*\*Increases in the percentage of salary charged by the NYS Retirement System that exceeds 2% may be excluded from the tax levy cap calculation. We do not use this allowance.