



RICHARD A. LEINS
Village Manager

VILLAGE OF OSSINING

MUNICIPAL BUILDING

16 Croton Avenue
Ossining, NY 10562

(914) 941-3554

FAX (914) 941-5940

www.villageofossining.org

November 6, 2013

Mayor William Hanauer
Deputy Mayor Manuel Quezada
John Codman III
Trustee Robert Daraio
Trustee Victoria Gearity

The Village of Ossining has enjoyed an unprecedented 2013 Bicentennial Year. Thanks to the strong commitment of the Village Board and the hard work of the Bicentennial Committee led by Chairman George Camp, backed by the Village administration, the Village achieved a number of successes which will define it for years to come. The Celebration began on April 2, 2013, the 200th anniversary of the incorporation of the Village with a historic photography show curated by John Wunderlich with reception at the Ossining Public Library followed by a Village Board reenactment of the first meeting of the Board of Trustees. On May 5, the Village inaugurated Ossining in 3-D, a significant six month outdoor sculpture show which garnered much positive attention for the community from the entire New York metropolitan area and beyond. In September, the Village hosted the Westchester Municipal Officials Association on the waterfront and introduced a whole host of County leaders to the Village. The following Saturday the Village in conjunction with Hudson Rising hosted Harborfest, a celebration of the Hudson River, which included tours of the sloop Clearwater, sailboat rides, as well as an interpretive barge and trolley rides around the waterfront and downtown shopping district.

2013 marked another milestone for the Village as it experienced significant interest in its possibilities for development and redevelopment. Among the important steps in 2013: after over sixteen years of laying fallow, the Village succeeded in the marketing, approval for redevelopment and sale of the We Can Do It parking lot on Main Street. The Village also saw the approval of the Avalon apartment complex on North Highland Avenue, a key component of which will be the donation of an additional eight acres of parkland, further enhancing the Edward M. Wheeler Crawbuckie Nature Preserve. In addition a major residential complex was completed on State Street and new residents eagerly moved in to this latest addition to the Ossining community.

Good development is important, especially at this time as the State imposed tax cap continues to constrict the ability of the municipality to generate funds sufficient to pay for valued and expected services to residents and businesses. New assessment growth spreads the burden of taxation, providing relief to existing taxpayers. Following the global financial collapse in late 2008, and ensuing tax certiorari reductions, the Village of Ossining saw its assessment roll drop by over 2 million dollars or approximately 2%.

The good news is that as a result of the renewed interest in the community, the 2013 Tax Assessment Roll compiled for 2014 tax collection will show an increase of approximately a half million dollars. The Village anticipates significant additional assessment growth in 2014 which will provide stability in taxation while at the same time foster the goal of welcoming new residents to the community who will patronize local businesses and further energize Village activities.

In this positive context, I am pleased to present the Village Board with the Tentative Budget of the Village of Ossining for 2014.

While the Village continues to perform in a fiscally prudent manner, the State imposed cap on tax levy for collection remains a formidable obstacle to municipal finance, and in fact makes budgeting more difficult each successive year. The time for belt-tightening and easily achieved savings has passed, leaving only program and personnel left to consider. The alternative of funding daily operations from fund balance which is intended for rainy days and capital projects has had very negative implications for those municipalities that have gone down that path. The other option of service cuts have not been well received by the public.

While the goal of a two percent tax cap may be enviable, it can never be truly workable without some relief from those mandated costs that are beyond local control. Annual increases for the required payment for employees to the New York State Pension System have finally slowed, however the cumulative 93% increase from 2010 takes a huge toll on local budgets. In 2014, the Village anticipates payments to New York State Pension of 3.7 million dollars. The costs of employee health care remain a serious problem, with annual increases of 10% or more resulting in projected 2014 expenditures of over 5.5 million dollars. It is axiomatic that unless a tax cap acknowledges mandated costs as outside the purview of municipal regulation, no municipality will be able to sustain itself consistent with an annual 2% restriction. Since the Tax Cap legislation provides for a minimum period ending June 15, 2016, it is not too soon to share these serious concerns with State representatives in furtherance of the maintenance of essential services that are only delivered at the local level.

A Public Hearing on the Tentative Budget for 2014 will be held on November 19, 2013. Thereafter the Village Board will meet to consider and amend the budget as deemed appropriate so that the Final Budget may be adopted by the Board on December 3, 2013.

Even with all of the fiscal challenges, the Village will complete 2013 and enter upon 2014 in excellent financial condition. In addition to the Village's Tax Assessment Roll being on the upswing, for the fifth year in a row the Village will put monies back into its General Fund Balance, further strengthening the Village's financial status. Recognizing Village accomplishments, in reviewing the Village's financial position within the last month, Moody's Investor Services reaffirmed the Village's high credit standing of Aa2. Other positive indicators cited by Moody's include its moderately sized tax base, strong reserve levels and solid liquidity, cautious budgeting and ongoing expenditure management.

Looking towards 2014, on the income side, some sources of revenue have shown significant recovery from the depths of the sustained economic slump. Sales Tax for 2014 is proposed to be budgeted at \$3,500,000 and Mortgage Tax will be budgeted at \$200,000, still off from the high of \$355,000 in 2008.

Several Village programs and other revenue sources have exhibited encouraging increases. The Recreation Department program income budget for 2014 will reflect increases in the After School Program, Summer Camp and other recreational programming. The Building Department has experienced an increase in building permit fees resultant from building activity and is projected to continue strong in 2014. Fines and forfeitures received as a result of court proceedings including local law violations remain a disappointment with 2014 budgeted at \$420,000, off from the \$565,000 budgeted for 2013. All Village Departments will conclude 2013 within expenditure parameters established for the 2013 budget, reflecting the good work by all Department Heads and Village employees.

The Tentative Budget for 2014 will maintain existing staffing levels in order to insure continued delivery of services to residents and the business community. The Budget will also propose the engagement of Pace University Land Use Law Center to analyze the Village's planning and building review and approval process to determine any opportunities for service enhancement. The Village will continue to meet with its municipal partners and will reach out to other potential partners to continue to examine any and all areas of municipal cooperation that will result in savings to the taxpayer and first rate service delivery.

As is always the case, the 2014 Tentative Budget has been arrived at through much study, meetings and discussions with Department Heads and Managers. The 2014 Tentative Budget maintains, and where possible enhances existing services, holding the line on additional expense, and provides for a tax rate increase of 3.235%, less than the 4.12% increase added in 2013. While the proposed tax increase is in excess of that computed under the tax cap of approximately 1.5%, to reach that level would require an additional reduction which would have seriously impacted programming and/ or personnel. Notwithstanding, the Village Board will have an opportunity in the weeks ahead to review and reorder priorities to best match the sense and needs of the community. An increase of 4.32% in Water and Sewer rates is proposed in order to fund major capital projects in 2014 and 2015.

Not only has the Village of Ossining been cited as being one of the best places to live in Westchester County, I believe that for many reasons, the future looks very bright for the Village. I wish to thank Treasurer Tom Warren and Deputy Treasurer Dale Ferreira for their support and all of the hours we shared working on the 2014 Budget as well as the Department Heads for all of their hard work day in and day out on behalf of the Village of Ossining. Thank you to the Board of Trustees for their service and commitment to the community and for giving me the opportunity to serve.

Respectfully submitted,



Richard A. Leins
Village Manager