

The background of the slide is a light gray gradient. It is decorated with numerous realistic water droplets of various sizes. Some droplets are large and prominent, while others are small and scattered. They are primarily located in the top-left and bottom-right corners, with a few smaller ones in the center and top-right areas. The droplets have highlights and shadows, giving them a three-dimensional appearance.

WATER EXEMPTION IMPACT ANALYSIS

VILLAGE OF OSSINING

1/19/2021 TOWN OF OSSINING PRESENTATION

BACKGROUND

- IN CONSIDERATION OF THE PENDING CONSTRUCTION OF A NEW WATER TREATMENT PLANT FOR OSSINING, WE HAVE BEEN WORKING FOR THE PAST SEVERAL MONTHS TO IDENTIFY WHAT A CHANGE IN THE TAXABLE STATUS OF THE EIGHT (8) PARCELS, OWNED BY THE VILLAGE BUT LOCATED IN THE TOWN, WOULD LOOK LIKE
- FOR EACH OF THE THREE TAXING ENTITIES (THE TOWN, THE SCHOOL DISTRICT AND THE LIBRARY), THE IMPACT OF EXEMPTION ON THE TAX RATE WOULD BE SMALL, AND IT WOULD ALLOW THE VILLAGE TO HOLD WATER RATES DOWN WITH REASONABLE INCREASES
 - WESTCHESTER COUNTY HAS ALREADY EXEMPTED ALL 8 PROPERTIES

BACKGROUND

ALL TAXING ENTITIES WERE ANALYZED:

- **TOWN GENERAL:** VILLAGE OF OSSINING, VILLAGE OF BRIARCLIFF, UNINCORPORATED TOWN
- **TOWN UNINCORPORATED:** UNINCORPORATED TOWN ONLY
- **OSSINING SCHOOLS:** VILLAGE OF OSSINING, VILLAGE OF BRIARCLIFF, UNINCORPORATED TOWN, NEW CASTLE, YORKTOWN
- **OSSINING LIBRARY:** VILLAGE OF OSSINING, VILLAGE OF BRIARCLIFF, UNINCORPORATED TOWN, NEW CASTLE, YORKTOWN

NOTE: FOR DISCUSSION INFORMATION IS PRESENTED FOR THE SAME \$375K HOUSE

BASELINE (2019-2020)

		Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
Baseline									
Home Value		\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2019-20 School Warrant		\$90,373,622	\$90,373,622	\$90,373,622	\$9,156,263	\$3,003,425			
2019-20 School Roll Value		\$3,581,092,338	\$3,581,092,338	\$3,581,092,338	\$69,298,961	\$2,796,789			
2019-20 School Tax Rate		\$25.2363	\$25.2363	\$25.2363	\$132.1270	\$1,073.8833			
Annual School Tax Bill		\$9,463.62	\$9,463.62	\$9,463.62	\$9,463.60	\$9,463.60			
2020 Quarterly Water Bill (av)		\$474.20	\$570.19						
Annual Water Bill		\$1,896.80	\$2,280.76						
Water Bill as % of Home Value		0.50581%	0.60820%						

Data based on last adopted budget:

- Calendar year for the Town (2020)
- School year for Schools and Library (2019-2020)

We will be reviewing school tax numbers to demonstrate effect on the largest portion of homeowner's tax bill— Town General and Unincorporated share are minor, as would be the impact on Town exemption in the absence of School exemption.

2020-2021

		Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
2020-21									
Home Value		\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2020-21 School Warrant		92,258,923	\$92,258,923	\$92,258,923	\$9,280,783	\$3,044,270	2% over 2019-2020		
2020-21 School Roll Value		\$3,606,748,451	\$3,606,748,451	\$3,606,748,451	\$69,298,961	\$2,796,789	Updated for 2019 Roll (Inc. Oss Value)		
2020-21 School Tax Rate		\$25.57953	\$25.57953	\$25.57953	\$133.92384	\$1,088.49			
Annual School Tax Bill		\$9,592.32	\$9,592.32	\$9,592.32	\$9,592.30	\$9,592.30			
2021 Quarterly Water Bill (av)		\$497.91	\$570.19						
Annual Water Bill		\$1,991.64	\$2,280.76						
Water Bill as % of Home Value		0.53110%	0.60820%						

- Rollover of the “Baseline” condition—tax levy is presumed to go up by an even 2%, while value based on actual roll changes has been added to Ossining’s portion of the levy
- As Ossining is at 100% of full value, this number is likely to continue to increase when the market is good, and decrease when the market goes down
- New Castle and Yorktown are not at 100% of full value
 - only increases in value on their rolls would come from added construction
 - only decreases would come as a result of tax grievances, fire damage and demolition
- For discussion, all assessment numbers have been frozen at 2020-2021 conditions, except any changes in the Ossining portion related to water properties

2020-2021 WITH EXEMPTION

	Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
2020-21 with Immediate Exemption								
Home Value	\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2020-21 School Warrant	\$92,240,809	\$92,240,809	\$92,240,809	\$9,294,423	\$3,048,744	2% over 2019-2020		
2020-21 School Roll Value	\$3,600,748,451	\$3,600,748,451	\$3,600,748,451	\$69,298,961	\$2,796,789	Updated for 2019 roll LESS \$6M Oss. Portion		
2020-21 School Tax Rate	\$25.61712	\$25.61712	\$25.61712	\$134.12067	\$1,090.09			
Annual School Tax Bill	\$9,606.42	\$9,606.42	\$9,606.42	\$9,606.39	\$9,606.39	Exemption causes \$14 tax bill increase		
2021 Quarterly Water Bill (av)	\$497.91	\$570.19						
Annual Water Bill	\$1,991.64	\$2,280.76						
Water Bill as % of Home Value	0.53110%	0.60820%						

- Same as the prior scenario, but reducing the Ossining portion by an even \$6M—this is approximately the current roll value of all the water properties as currently built
- Assuming all other conditions to be equal (except a 2% increase to the school levy) properties in all five municipalities would see a small annual increase to their school tax bill

SCENARIO A: 2024-2025, NO NEW WATER PLANT

	Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
Scenario A: No New Water Plant								
Home Value	\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2024-25 School Warrant	\$99,864,025	\$99,864,025	\$99,864,025	\$10,045,818	\$3,295,215	2% increase each year		
2024-25 School Roll Value	\$3,606,748,451	\$3,606,748,451	\$3,606,748,451	\$69,298,961	\$2,796,789	No added roll value over 2020-21		
2024-25 School Tax Rate	\$27.68810	\$27.68810	\$27.68810	\$144.96347	\$1,178.21			
Annual School Tax Bill	\$10,383.04	\$10,383.04	\$10,383.04	\$10,383.01	\$10,383.01			
2024 Quarterly Water Bill (av)	\$571.01	\$684.99	5% increase each year, cumulative 20.4% over 2020					
Annual Water Bill	\$2,284.04	\$2,739.96						
Water Bill as % of Home Value	0.60908%	0.73066%						

- Where we would be in 4 years with:
 - 2% levy increase each year
 - no change in assessed value for any community over 2020-2021
 - no exemption of water properties as they are currently assessed (\$6M)
 - no new water treatment plant constructed. This is displayed as a control for the next two scenarios

SCENARIO B: 2024-2025, NEW WATER PLANT, TAXED

	Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
Scenario B: New Water Plant, Taxed								
Home Value	\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2024-25 School Warrant	\$100,088,589	\$100,088,589	\$100,088,589	\$9,876,721	\$3,239,748	2% increase each year		
2024-25 School Roll Value	\$3,676,748,451	\$3,676,748,451	\$3,676,748,451	\$69,298,961	\$2,796,789	70M added value from plant to Oss. Portion		
2024-25 School Tax Rate	\$27.22204	\$27.22204	\$27.22204	\$142.52336	\$1,158.38			
Annual School Tax Bill	\$10,208.26	\$10,208.26	\$10,208.26	\$10,208.24	\$10,208.23	A to B: \$175 decrease per household		
2024 Quarterly Water Bill (av)	\$671.36	\$835.44	Cumulative 41.6% Increase over 2020					
Annual Water Bill	\$2,685.44	\$3,341.76	Water bill will go up by \$400 annually, across the board					
Water Bill as % of Home Value	0.71612%	0.89114%						

- New water treatment plant is constructed in Ossining, potentially adding \$70M to the Ossining portion of the roll:
 - Increases Ossining's share of the levy slightly
 - Lowers taxes for everyone in the School District
 - Gain is short-lived as the plant will immediately begin to depreciate
 - Any gains are offset by severe increases to the rate that the Village will have to charge for water to offset the taxes that correspond with this higher value (**41.6% over 2020**)
 - Particular concern for Unincorporated Town ratepayers, who already pay 1.5x more

SCENARIO C: 2024-2025, NEW WATER PLANT WITH DEBT SERVICE, TAX EXEMPT

	Village of Ossining	Uninc. Ossining	Village of Briarcliff	New Castle	Yorktown			
Scenario C: New Water Plant w/ Debt Service, Not Taxed								
Home Value	\$375,000	\$375,000	\$375,000	\$71,625	\$8,813			
2024-25 School Warrant	\$99,844,418	\$99,844,418	\$99,844,418	\$10,060,582	\$3,300,058	2% increase each year		
2024-25 School Roll Value	\$3,600,748,451	\$3,600,748,451	\$3,600,748,451	\$69,298,961	\$2,796,789	\$6M decrease to roll Oss. Portion		
2024-2025 School Tax Rate	\$27.72880	\$27.72880	\$27.72880	\$145.17652	\$1,179.95			
Annual School Tax Bill	\$10,398.30	\$10,398.30	\$10,398.30	\$10,398.27	\$10,398.27	A to C: \$15 increase per household		
2024 Quarterly Water Bill (av)	\$578.93	\$696.60	Cumulative 22.1% Increase over 2020					
Annual Water Bill	\$2,315.72	\$2,786.40	Water bill will go up by \$32 annually across the board					
Water Bill as % of Home Value	0.61753%	0.74304%						


- New water treatment plant is constructed in Ossining, but is tax exempt
 - Decreases Ossining's share of the school levy slightly
 - Marginally increases school taxes for everyone (\$15/year)
 - Increase to water rates only due to debt service contribution from water fund **(22.1% over 2020)**

EXEMPTION IMPACT SUMMARY

- FAILURE TO EXEMPT THE WATER PROPERTIES CAUSES ALL TAX BILLS TO DECREASE BUT ALSO INCREASES WATER BILLS SIGNIFICANTLY
- VILLAGE OF OSSINING RESIDENTS, ALONG WITH UNINCORPORATED OSSINING RESIDENTS, WILL SEE DRAMATICALLY HIGHER WATER RATES AS A RESULT OF THE CONSEQUENT TAXES THAT THE WATER FUND WILL NEED TO PAY TO THE VARIOUS TAXING ENTITIES, WITH HOUSEHOLDS AT THE LOWEST END OF THE VALUE SPECTRUM PAYING THE HIGHEST PROPORTION OF THEIR HOME VALUE IN UTILITIES- WATER RATES ARE REGRESSIVE!
- UNDER ANY SCENARIO, ALL TAXING ENTITIES GET THE SAME AMOUNT OF TAX DOLLARS THE BUDGETS SET BY THE VARIOUS BOARDS (TOWN, SCHOOL AND LIBRARY) ARE UNCHANGED BY ANY OF THESE SCENARIOS
 - THE VILLAGE WOULD NO LONGER BE PAYING, AND THAT SHARE WOULD BE REDISTRIBUTED AMONG THE REST OF THE TAXPAYERS IN THE TAXING DISTRICT
 - MODEST COST TO TAXPAYERS IN THEIR TAX BILLS WILL SAVE OSSINING VILLAGE AND UNINCORPORATED TOWN RESIDENTS HUNDREDS OF DOLLARS IN WATER CHARGES - SAVINGS WILL BE REALIZED BY SCHOOL AND LIBRARY WHEN THEY NEED TO PURCHASE MUNICIPAL WATER
 - RESIDENTS OF BRIARCLIFF, NEW CASTLE AND YORKTOWN WHO FALL WITHIN THE SCHOOL AND LIBRARY'S TAXING DISTRICTS WILL SEE A SMALL ANNUAL TAX INCREASE WITHOUT THE BENEFIT ON THEIR WATER BILL (SINCE OSSINING DOES NOT PROVIDE WATER OUTSIDE OF TOWN LIMITS)
 - SCHOOL AND LIBRARY'S COSTS MAY GO UP IF THEIR WATER CHARGES INCREASE
 - THESE RESIDENTS MAY END UP PAYING MORE IN THEIR SCHOOL AND LIBRARY TAXES TO COMPENSATE, SHOULD EXEMPTION NOT BE APPROVED
- THERE ARE NO "LOSERS" HERE—IN THE INTEREST OF EQUITY, AND CREATING A SAFER, MORE AFFORDABLE WATER SOURCE FOR THE VAST MAJORITY OF THE SCHOOL DISTRICT RATE PAYERS, WE ARE ASKING THAT THE TOWN, SCHOOL AND LIBRARY BOARDS PASS A RESOLUTION TO EXEMPT THE WATER PROPERTIES OWNED BY THE VILLAGE OF OSSINING



IMPLICATIONS FOR VILLAGE AND TOWN PROVISION OF WATER AGREEMENT

- THE CURRENT AGREEMENT WAS DRAFTED IN 1968
 - COMPLETE AND TOTAL EXEMPTION OF ALL (8) WATER PROPERTIES OUTSIDE OF THE VILLAGE OF OSSINING BOUNDARIES BY ALL TAXING JURISDICTIONS (TOWN OF OSSINING, OSSINING SCHOOL DISTRICT, AND THE OSSINING PUBLIC LIBRARY) WOULD HELP TO KEEP WATER RATES LOWER FOR ALL RATEPAYERS
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ANALYSIS OF EQUITABLE AGREEMENT OPTIONS

- TO ENSURE THAT WATER RATE PAYERS ARE TREATED FAIRLY AND EQUITABLY, WE ANALYZED WAYS TO REVISE THE EXISTING RATE SCHEDULES FOR BOTH THE VILLAGE (100%) AND TOWN (150%) WITH A FIVE YEAR PROJECTION OF THE IMPACT UNDER VARIOUS SCENARIOS WITH THE GOALS OF:
 - ☐ REESTABLISHING RATES PAID BY UNINCORPORATED TOWN (TOS) RESIDENTS FAIRLY
 - ☐ SHIELDING VILLAGE (VOO) RATEPAYERS FROM ABRUPT AND SEVERE FINANCIAL IMPACT
 - ☐ ENSURING THAT COSTS BORNE BY THE VILLAGE, BASED ON OWNERSHIP AND OPERATION OF THE FACILITIES AND THE LIABILITY OF CARRYING WATER FUND DEBT, ARE COVERED

ANALYSIS OF EQUITABLE AGREEMENT OPTIONS

A VARIETY OF SCENARIOS, ALL OF WHICH INVOLVED SOME COMBINATION OF THE FOLLOWING:

- ☐ A REDUCTION OF THE 150% RATE PAID BY TOS RESIDENTS
- ☐ THE USE OF WATER FUND BALANCE TO LESSEN THE IMPACT OF THE DECREASED REVENUE FROM TOS RATEPAYERS ON VOO RATEPAYERS
- ☐ AN ANNUAL RATE INCREASE OF BETWEEN 5% AND 10%

ACROSS ALL SCENARIOS, FULL TAX EXEMPTION OF INDIAN BROOK WATER TREATMENT PLANT, WATER TANKS, AND ALL PROPERTIES IN SERVICE TO WATER FILTRATION AND DISTRIBUTION (EIGHT IN TOTAL) IS NECESSARY

ANALYSIS OF EQUITABLE AGREEMENT OPTIONS

OPTION 7

GRADUALLY REDUCE TOS RATE FROM 150% TO 110% OVER 8 YEARS, 5% RATE INCREASE EACH YEAR

- **RECOMMENDED SCENARIO**

- **DECREASES THE TOS RATE SLOWLY OVER 8 YEARS WHILE HOLDING A 5% ANNUAL RATE (OR SMALLER) INCREASE STEADY FOR ALL WATER CUSTOMERS**
- **THIS SLOWER ATTEMPT GENERATES A BUDGET SURPLUS OF \$517K OVER THE PROJECTED PERIOD, AND RESULTS IN A NEARLY BALANCED BUDGET BY 2025, AS OPPOSED TO OTHER OPTIONS WHICH DO NOT GENERATE A BALANCED BUDGET AND DEplete WATER FUND BALANCE**
- **MOVING TO A 110% ALLOWS THE VILLAGE TO ACCOMMODATE THE CONTINUED SOLE ADMINISTRATION OF, AND LIABILITY OF DEBT ISSUED BY, THE WATER FUND— ADDITIONALLY, IT ACCOUNTS FOR THE HIGHER INVESTMENT PER LINEAR FOOT REQUIRED TO SERVICE UNINCORPORATED TOWN V. VILLAGE PARCELS**



SUMMARY AND NEXT STEPS

- FULL TAX EXEMPTION OF ALL VILLAGE-OWNED WATER PROPERTIES PROVIDES SIGNIFICANT FINANCIAL BENEFIT TO ALL WATER RATE PAYERS IN THE VILLAGE AND TOWN
 - FULL TAX EXEMPTION HAS MINOR IMPACT ON NON WATER RATE PAYERS
 - EQUITABLE AND FAIR REVISION OF THE VILLAGE'S AGREEMENT WITH THE TOWN FOR THE PROVISION OF WATER IS DEPENDENT ON FULL TAX EXEMPTION
 - THE VILLAGE OF OSSINING REQUESTS THAT THE TOWN OF OSSINING AGREES TO EXEMPT THE WATER PROPERTIES AND THAT IT SUPPORTS THE VILLAGE REQUESTS TO THE SCHOOL DISTRICT AND LIBRARY BOARD TO DO THE SAME
 - BASED ON A SIGNED MOU THAT RECOGNIZES THAT IF ALL TAXING ENTITIES AGREE TO FULL PROPERTY TAX EXEMPTION, THE VILLAGE AND TOWN CAN THEN REVISE THEIR INTER-MUNICIPAL AGREEMENT FAIRLY AND EQUITABLY
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