

From the Mayor's Desk...April 10, 2012

At the next meeting on Monday, April 16, 2012 at 7:00 p.m., the Board of Trustees will be continuing the public hearing on the 2012/13 Village operating budget. Even though there are not any major service cuts, I hope you will join the discussion. The tentative budget is posted on the Village website {link to document here}. Related to the budget, I would like to discuss the new State law capping local tax levies.

In our tentative budget, the increase in our tax levy (as defined by the tax levy cap law) is up by only 1.6% which is \$50,000 below the cap. However, as it currently stands, the 2012/13 budget reflects a tax rate of \$277.95 or an increase of 4.77% over last year. How can an increase below the 2% in the tax levy cap result in a 4.77% increase in your taxes? Well, the largest factor in the difference between the levy and the rate is a decrease of 2.4% in the size Greenburgh's town assessment roll. So that means that even if our tax levy remained unchanged from last year, your tax bill would increase by 2.4%. Additionally, the tax levy cap law allows certain costs to be excluded from the cap calculation. In our case, the only significant exclusion that applied to our budget is the one allowed for excessive state retirement pension costs, resulting in an exclusion of \$77,276. Although this amount is excluded from the tax levy cap calculation, it still has the effect of increasing the tax rate by about 0.6%.

There is one more important item to discuss regarding the new law. On April 16, we will also be holding a public hearing to consider the adoption of a local law allowing the Village to override the tax levy cap. With a tax levy currently \$50,000 below the cap, this step would seem unnecessary. However, recognizing the uncertainties created by a new law, we have been urged by the New York Conference of Mayors and our own staff to consider enacting an override, even though we are well below the state cap. Without an override, there are a number of scenarios that could result in a significant impact on the finances of the Village in the future. While we wish to fully comply with the spirit of the new tax levy cap, there are no reasons, other than political, to introduce that much potential uncertainty into the Village's finances. My colleagues and I will fully discuss the tax cap override at the April 16 meeting.

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