



VILLAGE OF BREWSTER

INCORPORATED 1894

JAMES J. SCHOENIG, MAYOR

TRUSTEES:

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Fiscal Year 2010 Budget Message

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Through lower than expected expenditures due to cost cutting and prudent purchasing during the 2007-2008 year we have been able to build a fund balance in the General Fund of \$250,000. We are proposing to use \$200,000 of that fund balance to mitigate tax increases in the General Fund and offset some costs with an Interfund transfer of \$80,000 to the Sewer Fund. We can not use any of the surpluses to offset Water because we deliver water outside the village limits. This would effectively be providing subsidies to non village residents which are not permitted.

With the Fund Balance contribution going forward we were able to reduce property tax collection by 14%.

Our Water budget is coming in close to target and although we reduced our costs we did not attain our projected revenues resulting in a larger fund deficit. This year we are planning to chip away at the deficit and move the fund balance positive going forward. The turnaround will not happen in one year. We will reevaluate our position during the next budget cycle (March-April 2010). In the meantime the proposed tentative budget is forecast to maintain the current water rent (rate) schedule through the 2009-10 year.

Our Sewer Fund likewise is in a deficit fund balance. The good news is we believe we are in the final stage of an agreement with NYC DEP that will reduce our debt and increase their operating and maintenance cost contributions as well as reimburse us for the accumulated fund deficit. This is still months away before we see any cash. If the tentative budget is adopted we expect to lower the sewer rents to near the 1.3 cents per gallon for the four bills in 2009-10 fiscal year. We will reevaluate our position during the next budget cycle (March-April 2010) to see where we are and how we might decrease the burden on property owners to a larger degree. If we can do it sooner, we will.

For personnel this budget has an overall 1% decrease. Some employees received a 3% increase. Others, like the Board of Trustees and Village Justice remained at their previous compensation levels.

Police wages are down 27% from last year. Additionally we have allocated direct costs to particular departments. For example, court security is paid for out of the court account. Parades are paid for out of the Celebrations account. Our part-time Police officers are budgeted for a wage increase of 1.50 per hour to \$22.00 and still we reduced gross wages by 27%. We have also been able to reduce Police Contractual costs by 17%.

We have negotiated a 10 year lease at 50 Main Street for relocation of our Village offices and Court. This alternative to renovating 208 Main Street for the Court will save the Village taxpayers several hundred thousand dollars while providing a larger and more secure location for the general public, Justice and Clerks of Court.

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Water outside the village continues to be a significant budget issue. The existing pipes are very old and corroded. These pipes were not replaced by the Village during the water capital project and the Town of Southeast needs to rectify the situation. Each time there is a rupture outside village limits we must hire contractors to provide for excavation and repair. These costs are borne by all our water customers whether in village or not. By contrast Peaceable Hill water customers who are also fed by Village water have a Town of Southeast Water District. The Town buys the water from the Village, maintains the lines outside village boundaries, then bills and collects revenue from those water customers. This ensures the Town residents pay their fair share of the costs and relieves village residents from the added burden of unbudgeted and unrecoverable costs relating to Town of Southeast water line repairs. This condition still remains in limbo despite ongoing efforts to move to a solution.

Another additional expense to the Village is an unfunded mandate from the federal government for Municipal Separate Stormwater Sewer System (MS-4) initiative. The intended purpose of this program is to improve the cleanliness of our water through inhibition and prohibition of illicit discharges. Items such as motor oil, anti-freeze, general household chemicals, paints, mercury, and or other harmful agents must be kept from reaching our water supply. The federal government mandated each municipality to implement comprehensive programs and initiatives to this end. One of the reasons we moved \$80,000 from the General Fund to the Sewer Fund was to offset the costs of stormwater management from the sewer rates.

The Village Sanitation (aka Refuse) contract is still in effect through December 31, 2009. Refuse rates and expenses will remain the same through that time. During this budget year we will prepare an RFP and solicit bids from competing trash haulers to ensure we receive comparable service and the best possible cost for our residents.

The Village Board of Trustees passed a resolution authorizing participation in the Hudson Valley Municipal Purchasing Group. This group consists of 38 municipal agencies and hundreds of vendors. There is no cost to the taxpayer to join and we are hoping to improve our purchase prices even more by utilizing this cooperative regional source. Any and all cost savings in each fund will go toward accumulating a fund balance which can then be used for a number of purposes including reducing revenue needs in next year's budget, accumulating capital reserves for specific purposes, and in some cases interfund transfers to augment revenue needs where allowable.

As we build back our needed fund balances we will be able to manage our operations much more effectively providing minimum expenses and maximum return to our taxpayers and utility customers. All these factors will help to control the cost of local government.

Prepared by Peter Hansen
Clerk, Treasurer, and Budget Officer
April 7, 2009