



*****PLANDOME HEIGHTS – NEWS*****

Plandome Heights Approves Budget for 2020 -21; Limits Tax Increase to 1.8%; 1.2% Below Our Tax Cap

May 6, 2020 – On April 27, 2020 the Trustees of the Village of Plandome Heights adopted its Budget for the fiscal year June 1, 2020 – May 31, 2021. A Public Hearing on the Tentative Budget was held telephonically on Monday, April 13, 2020. The approved budget was filed with NY State, on-time, on April 29, 2020. Our Adopted Budget reflects adjustments made to reflect known effects from the COVID-19 pandemic.

While our allowable Tax Cap is approximately 3.0% for 2020 - 21, we decided to limit our tax increase to the inflation component of the Tax Cap, 1.8% (fully 1.2% lower than our cap). The increase represents approximately \$20 per year for the average resident. Taxes in the Village remain more than \$500 below, on average, the taxes for the same services outside the Village. This is due to the extensive use of volunteers and factors such as competitive bids.

Revenues – The Tentative Budget calls for total revenues of \$475,600, a 0.2% increase over \$474,300 which includes: (a) non-property tax revenues of \$120,100, a 4.2% decrease over \$125,300 in the prior year budget, and (b) property tax revenues of \$355,500, a 1.8% increase over \$349,000 in the prior year budget. The decreased revenues relate primarily to loss of interest income as a result of changes in the financial climate as a result of the COVID-19 pandemic. Despite this change, we limited the 2020 – 2021 property tax increase to 1.8% which is below our Village Property Tax Cap of 3.0%. The higher tax cap includes a 1.0% “growth factor” in addition to the inflation factor. We will carryover the 1.2% for use in 2021 – 20, or later years.

Expenditures - The 2020 – 2021 Tentative Budget calls for expenditures of \$475,600 which is a 0.2% increase in costs compared to the 2019 – 2020 Budget of \$474,300. The Village’s sanitation costs are the largest single cost increase at approximately 2% and so we made modest decreases in other costs to match the low rate of increase to our loss of interest income.

Commentary - Commenting on the Tentative Budget, Mayor Kenneth C. Riscica said: “Our Adopted Budget continues our practice of *low and stable* property taxes as well as *compliance with the Tax Cap*. We limited our tax increase to 1.8% despite having an unusually high Tax Cap, 3.0% available this year. We can carryover the remainder in case we need it in a future year. Also, we see some effects of COVID-19 on our finances in 2020 – 21, and we reduced some costs to accommodate the expected reduction in revenue. The Village is fortunate to have skilled volunteers on our Board who deliver these results.”

For perspective, after this increase:

- We will comply with the Tax Cap for 2020 – 21,
- Our taxes will be 0.5% lower than they were in 2010,
- Our average annual tax increase for the last 10 years will be about 1.5%,
- Our tax advantage vs. outside the Village will continue to be 33% (\$500/year) lower.
This annual advantage, over 10 years, is \$5,000 of savings to each household.

Further information available - The Tentative Budget, complete with a message from the Mayor and detailed various analyses including the operation of the Tax Cap, is contained on the Village website at www.plandomeheights-ny.gov/finances .

Contact: Mayor Kenneth C. Riscica, Mayor@PlandomeHeights-NY.Gov

Kenneth C. Riscica
Mayor

Daniel Cataldo
Silva Ferman
Gus Panopoulos
Dianne Sheehan
Alvin Solomon
Norman Taylor
Trustees

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