



CITY OF PEEKSKILL
OFFICE OF THE MAYOR

John G. Testa
Mayor

Peekskill City Budget Features 0% Tax Increase for 2006.

Tentative Budget Utilizes Stringent Cost Controls and Takes Advantage of Successful Economic Development Efforts to Minimize Taxpayer Burdens.

Budget Is Released One Month Early to Provide More Time for Community to Study It; Format is Most Open, Comprehensible in City History. Common Council Will Decide Final Numbers.

For Immediate Release

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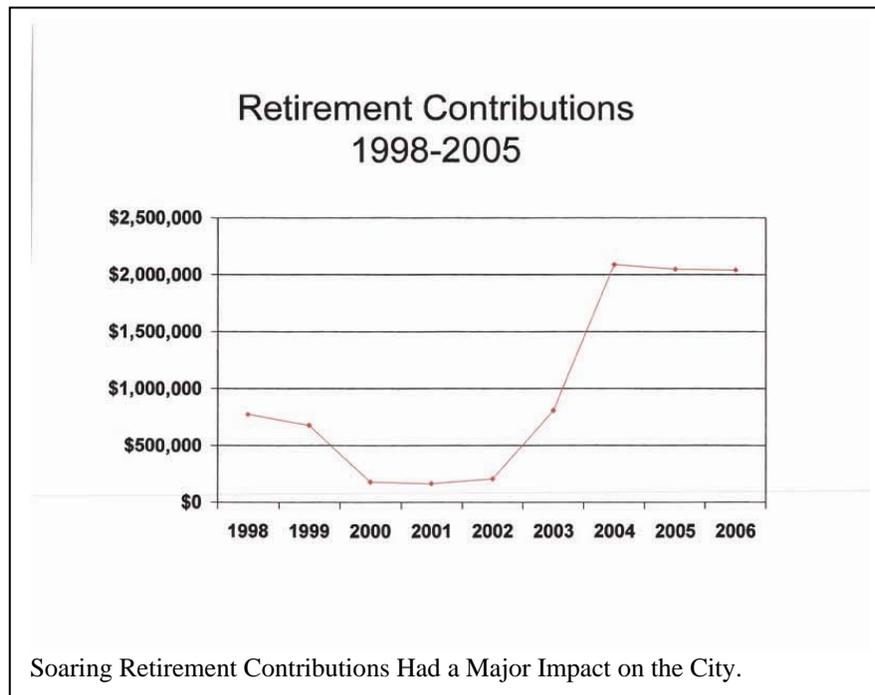
PEEKSKILL, NY—Revenue gains driven by the increasingly energetic revitalization of this City are playing a key role in keeping tax increases out of this year's budget.

Assessed property values in Peekskill have surged in recent years as projects guided and supported by the City have taken hold. This along with strict financial discipline has enabled Peekskill to recover from the devastating impact of unfunded state mandates and plan for a 0% tax increase in 2006.

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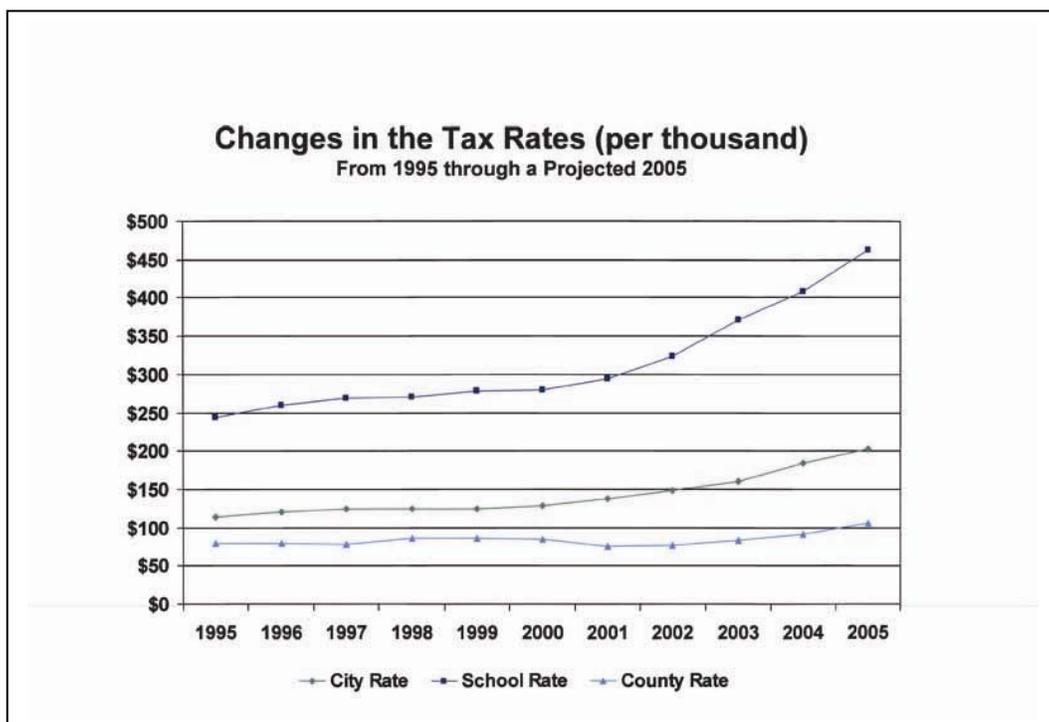
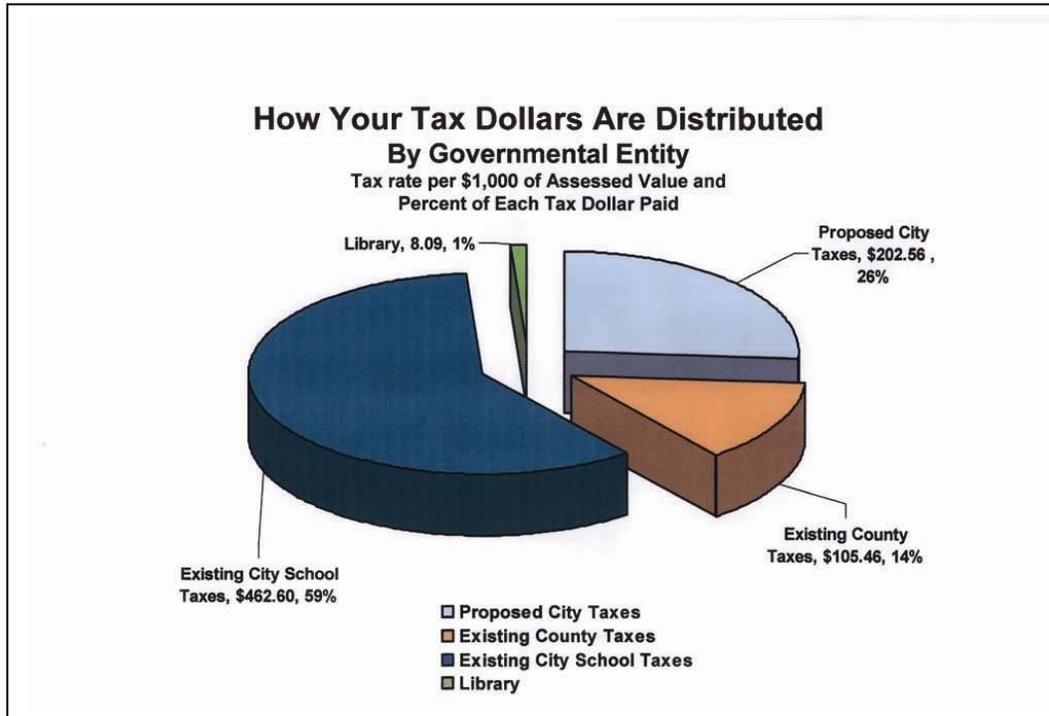
“We asked the community to stick with us through the tough times, and now we are coming out on the other side,” says Peekskill Mayor John Testa. “We’re now reaping the benefits of the many projects underway in our city—some of which drew loud objections, and to our City Staff’s willingness to work at maximum efficiency and productivity levels.”

In the space of a little more than a year between mid 2002 and early 2004, New York State increased the total retirement contribution demanded from the City from \$165,000 to more than \$2 million. The City has now dealt with that blow and is now moving forward, Testa says.



“We’re thanking the community for their trust and their confidence through the tough times, and now we want to give back to it through this budget,” Testa says. “As more and more of the projects we’re working on come to fruition, city revenues will keep on increasing without adding burdens to our taxpayers.”

In the tentative budget, the City of Peekskill anticipates it will receive \$13.03 million in property tax revenue. This amount is only 26% of the total amount of property taxes that our residents pay. The remaining balance is accounted for by two School districts and Westchester County taxes. The current levy for the Peekskill School district is \$17.5 million; Hendrick Hudson, \$1.9 million and Westchester County, \$7.8 million.



This budget is presented to the Common Council by City Manager Dan Fitzpatrick. As the tentative budget, it is more a suggestion than something set in stone, Fitzpatrick says. "I see this as a taking off point," Fitzpatrick says.

There are three distinct categories in the budget: the General Fund, the Water Fund and the Sewer Fund. The Water and Sewer Funds are self-supporting, so the General Fund, which comes to \$30.884 million, gets most of the attention.

Revenues for the general fund come from a number of different sources, including non-property and other taxes, departmental income, fees and charges, use of money, property and transfers, state and county aid, and federal aid. These categories generate revenues totaling \$17.86 million. Property taxes themselves account for \$13.03 million.

Though taxes will not increase, expenditures will. The tentative budget projects a boost in \$1.321 million in revenues for 2006 over the adopted 2005 budget. An increase in non property tax revenues will account for most of this rise.

Expenditures in the budget will rise by \$1.452 million, a total that is due primarily to union salary negotiations, employee health insurance increases, and increases in the cost of doing business, according to the tentative budget message. "The offset between revenues and expenditures results in an appropriated fund balance of \$266,400," the City Manager's message says.

Costs are being kept to an absolute minimum in the current budget, the City Manager says. "This tentative budget is a bare bones document," the Message says. "There is no increase in full time employees," he says. Although departments requested 230.638 full time employees, the budget keeps staffing at just 222.376 employees.

Two personnel changes are planned. A part time housing inspector will be hired to meet the demands of a new ordinance that requires houses get a new certificate of occupancy whenever they are sold. And, when the current full-time assessor retires in October, a part time clerk will become a full-time employee and the City will hire a consultant on an as-needed basis.

Reflecting the fact that the City is a service business, a full 73% of revenues go towards personnel salaries and benefits. About 8% of the budget goes towards debt services. By themselves, the police and fire departments account for 42% of the budget, with police taking up 68% of that total.

Projects in the budget are that the most significant changes in expenditures will come from labor negotiations and increases to employee benefit costs. Changes in revenues will most likely come from the New York State-managed mortgage tax, at \$700,000, increased per capita state aid of \$138,000, and tipping fees of \$300,000 growing out of the recent agreement with Karta.

Fitzpatrick is especially proud of the budget's clarity and comprehensiveness. Items mentioned in his message are linked to specific pages in the full budget document. The budget also contains a new "Issues and Options" segment that takes a close look at how the 2006 document varies from its 2005 predecessor and provides detail on the additions and subtractions.

To also increase the public's chance to evaluate and understand the document, the budget has been released one month early. "As part of our commitment to open and accessible government, we have made this budget as clear and comprehensible as possible. We are also giving people more time to review it than ever before," Testa says.

“We have done this because we are proud about what this City, its employees, and its residents have achieved,” Testa says.

Fitzpatrick singled out City employees Lynn Swansen and Barbara Mignano for serving as budget officers, and also specifically praised Ida Esposito, Marcus Serrano, and Sharon Heitman.

For more information, call Mayor John Testa at 914-734-4105.

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