

# EXHIBIT E

# **Village of Briarcliff Manor Annexation Analysis**



**Originally presented at the  
Joint Public Hearing, 12 December 2013**

**Updated 6 March 2014**

# Overview

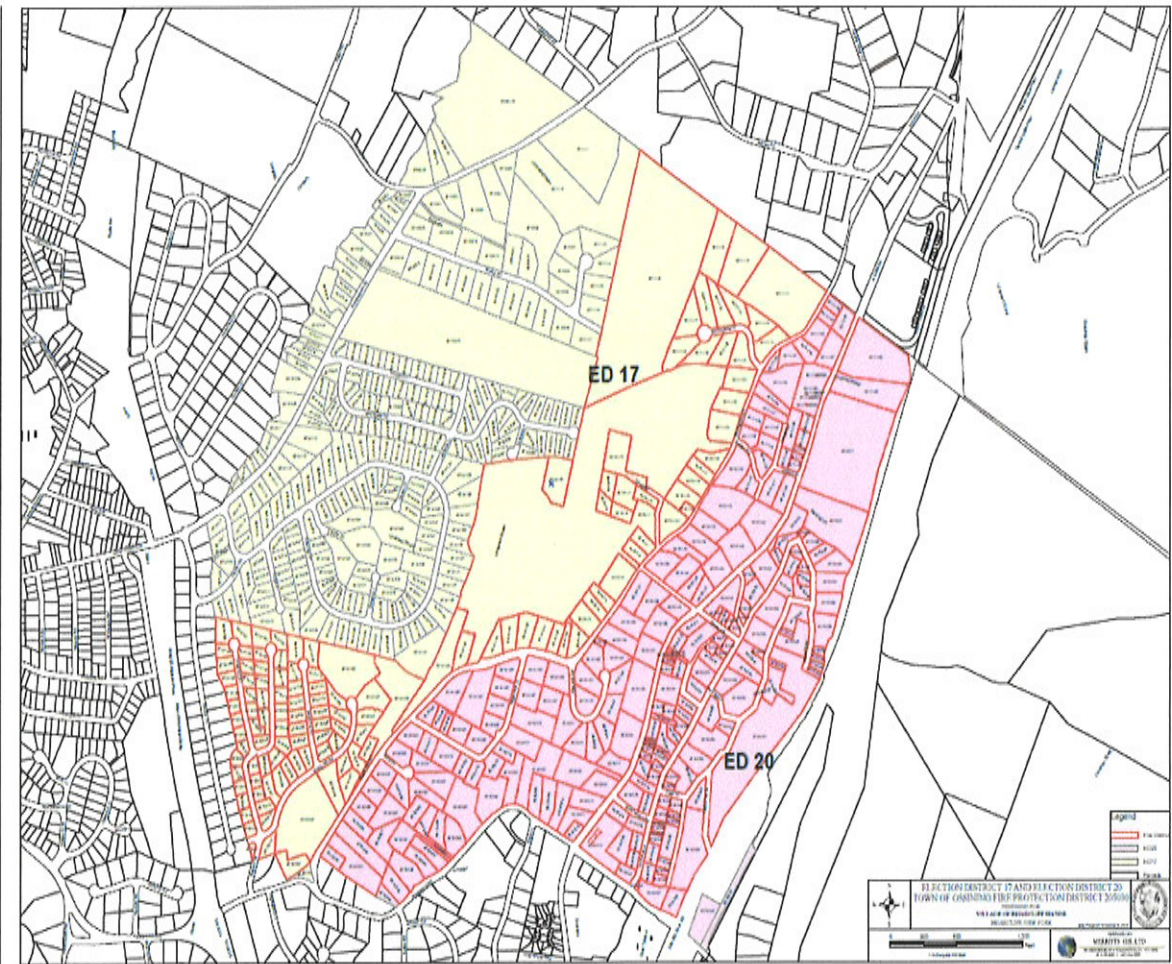
On 12 December 2013, a Joint Public Hearing was held by the Town of Ossining (TOS) Town Board and the Village of Briarcliff Manor (VBM) Board of Trustees to hear and solicit information and comments regarding the pending Annexation Petition duly filed by citizens residing in the TOS 17<sup>th</sup> and 20<sup>th</sup> Election Districts. The presentation by the VBM Village Manager (as revised / updated) is contained in this summary together with written comments that were presented orally at the Joint Public Hearing. In addition, this summary also includes information gained from questions that you have asked as you deliberate accepting (or not) the 1720 Annexation Petition. The original presentation was in a "Power Point format" since converted to document outline to facilitate the presentation of the subject information.

## Common Definitions:

- **Town of Mount Pleasant:** **TMP**
- **Village of Ossining:** **VOS**
- **Village of Briarcliff Manor:** **VBM**
- **Town of Ossining:** **TOS**  
(Town-General/Town-wide) Those charges applicable to the entire TOS.  
(Town Outside / Town Unincorporated) Those charges applicable to just the unincorporated portions of the TOS; that is NOT within either VOS or VBM
- **TOS Election Districts 17 + 20:** **1720**  
Election districts have defined metes and bounds and a common boundary with the VBM.

Survey overview of the 1720 area in question: Election District 17 (Yellow); Election District 20 (Rose) ... together 1720 and Fire District 20 (FD20 – Red outline)

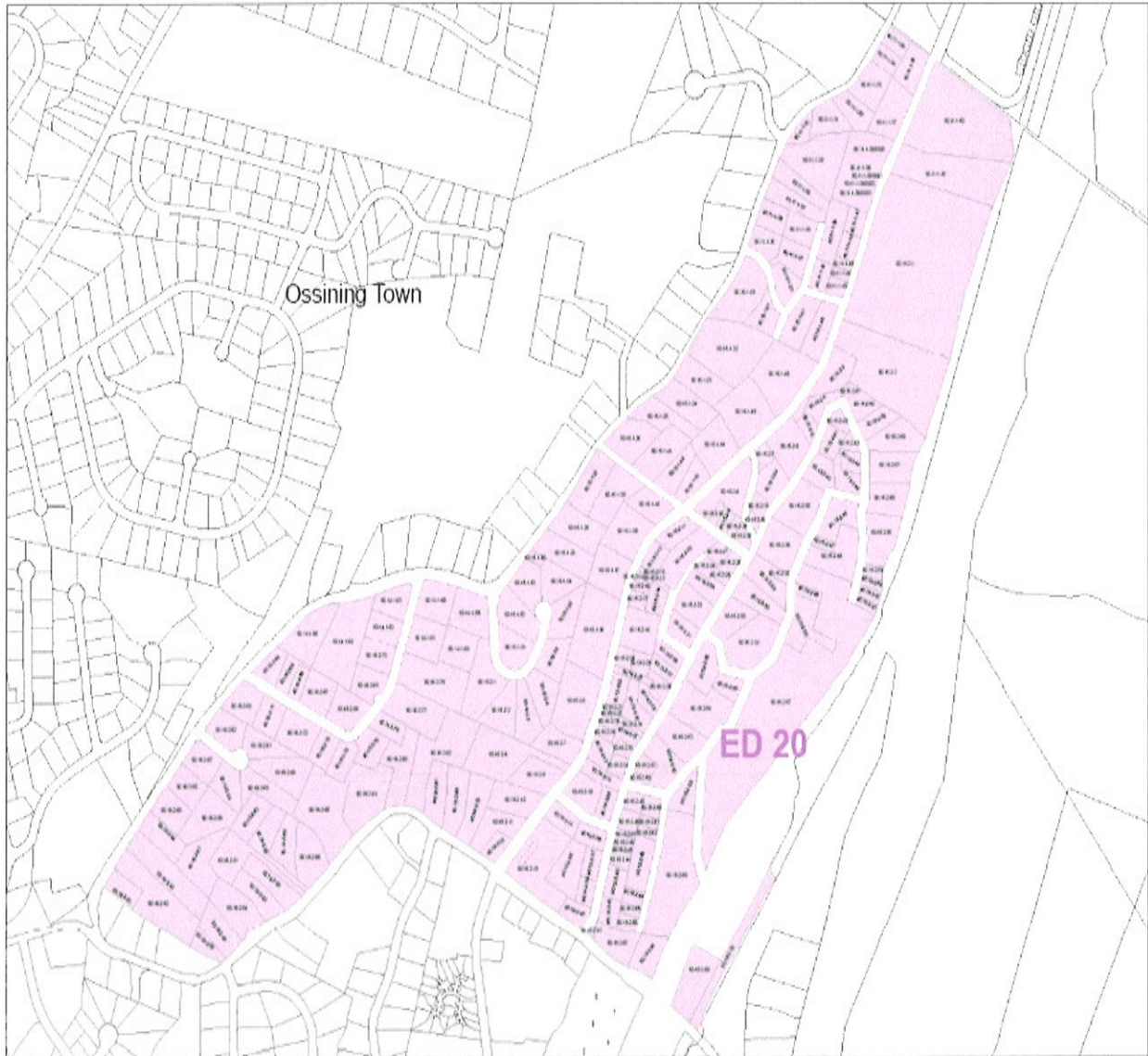
**ED17 (Yellow); ED20 (Rose); FD20 (Red)**



# ED 17



# ED 20



## **VBM Analysis Baseline Utilized:**

- Data utilized was solicited from/obtained through various governmental agencies and analyzed internally by VBM staff.
- TOS is on a fiscal calendar year-end budget; VBM's fiscal year is 1 June – 31 May. Audited Financial Statements: TOS 2012 (2013 where available); VBM 2012-2013 audited. However, there are numerous comparisons that are just **not** comparable.
- Census Data: the 2010 data was used and thereafter updated when available. Current Assessment Roll at (Oct 2013).
- Analysis does not include TOS 2014 Budget which was only recently adopted; TOS Police Building sale scheduled for a February 2014; effects of the proposed PILOT and anticipated use of proposed sale proceeds (since closing, to be paid off in 2017).
- Outlines of existing IMA's / contracts. VBM did not have all or actual IMA's/Contracts: used what was provided to the VBM. VBM Legal interpretation that IMA's/Contracts are renewable and subject to negotiation and adjustment. **So what is a district? Is it a legal entity with debt and assets - or - only a contract for Fire services?** We contend that Fire Protection is a renewable contract for Fire services; Sanitation is a private carter renewable contract; and, OVAC Ambulance is renewable service provider contract, like with VBM. See information provided below.

## **Major Assumptions:**

- Existing school district boundaries continue: **Current School District lines do not change.**
- VBM is to remain a Village.
- 1720 annexation is predicated on NYS calling for areas to be annexed as having a common boundary: limited to 17+20.
- VBM has had discussions with VOS. On a S/T basis, VOS to continue to supply water at outside of VOS rates and services TOS water lines/hydrants for minor repairs only.
- Ryder Park is a TOS park and will remain a TOS park open to all TOS residents based on the original indenture. We propose that VBM will administer Ryder through an IMA: with shared costs/work through TOS and VOS to ensure its physical renewal to the higher standards people expect.
- VBM Fire Department protection (Fire District 20 (FD 20) and 1720 cost of ambulance services (Croton, TOS, VOS, VBM) are to be covered by VBM

taxes. Remaini. segment of ED 17 (not a par. FD 20) serviced by VOS FD continues – paid by VBM to TOS until renegotiated.

- TOS commercial sanitation contract for 1720 area will not be renewed: VBM takes over the sanitation and recycling coverage.
- TOS "special districts" costs (service contracts) become VBM obligations, paid by VBM tax. Need clarification and negotiations. Existing IMA's (19 with VOS, alone) would be renegotiated to reflect fairness and equity and change of population. This is all allowable under various sections of NYS law.
- These assumptions have been amended or revised based on new or updated information: as originally reported at the 12 December 2013 Joint Public Hearing.

There are important issues that are apparent in this block of information. Based on immediately available and updated numbers and figures of which are independently varified, the VBM equals approximately 38% of the entire TOS regarding total tax assessment. The VBM portion utilized in this statement is only that portion of VBM within the TOS. The TMP portion is not included in any calculation as to Tax Assessment or Population.

## Common Statistics

### 2013 Tax Assessments As of 10/24/13

VOS value	\$111,819,307	43.06%
VBM value (TOS only)	\$98,287,295*	37.85%
TOS value (TOS Outside)	\$49,600,032**	19.09%
Note: * 17+20 = 14.535% of new VBM: 1720+VBM (TOS) = \$114,930,057		
**17+20 = \$16,705,798 or @ 33.68% of TOS value		
<b>Total assessed value</b>	<b>\$259,709,634</b>	<b>100.00%</b>

### 2010/12 Population [US Census]

VOS	25,266	67.06%
VBM = 7867 [TOS (7115) + TMP (752)]	7,115	18.89%
TOS (outside)	<u>5,293</u>	<u>14.05%</u>
<b>Total TOS population</b>	<b>37,674</b>	<b>100.0%</b>

5

In turn, the chart that follows is more indicative of the disproportion of Tax Assessment to Population for the VOS, TOS (unincorporated portion) and VBM to

the TOS as a whole. In the case of VBM, the Village was approximately 38% of the assessed value but only approximately 19% of the population. Assessment / Population Coverage compares the three separate "communities" in relation to each other based on the two variables.

## Statistical Re-Cap (2010/2012 Census - 2013 Assessment)

<b>VOS:</b>	<b>67.06%</b> of TOS's population but <b>43.06%</b> of TOS's assessment Assessment/Population Coverage: <b>.6421% X</b>
<b>VBM:</b>	<b>18.89%</b> of TOS's population but <b>37.85%</b> of TOS's assessment Assessment/Population Coverage: <b>2.0037% X</b>
<b>TOS:</b>	<b>14.05%</b> of TOS's population but <b>19.09%</b> of TOS's Assessment Assessment/Population Coverage: <b>1.3587% X</b>

6

**There is a test of any Annexation analysis provided under New York State Law. Setting aside all the dollars, cost, numbers, emotions and subjective beliefs, any adjudication of an Annexation Petition is based on the following objective concept: *What is in the Overall Public Interest?***

### So What Determines ... Overall Public Interest? NYS General Municipal Law § 711 (1)

In any annexation proceeding, the municipality promoting the annexation has the burden of proving that the annexation is in the overall public interest. Each review is necessarily highly factual in nature, but there are basic principles

employed by the referees and reviewing courts. As viewed in the legal treatise **New York Zoning Law and Practice**, a reviewing court must “weigh the benefit or detriment to the annexing municipality, the territory proposed to be annexed, and the remaining governmental unit from which the territory would be taken.”

1. The “benefit and detriment are customarily defined in terms of municipal services such as police and fire protection, health regulations, sewer and water service, public utilities and public education.”
2. Another factor entering into the balance is whether the annexing municipality and the territory proposed to be annexed have “the requisite unity of purpose and facilities to constitute a community.”
3. Finally, a tax revenue impact, specifically the loss or gain of revenues by the involved municipalities, is an important factor. (Citations omitted).

**Taken separately, the first “test” cited in New York Zoning Law and Practice § 8A:14 states:**

**1. The “benefit and detriment are customarily defined in terms of municipal services such as police and fire protection, health regulations, sewer and water service, public utilities and public education.”**

**What Village services does the VBM Village Tax cover?**

- **VBM Village Tax covers** Police Department, Fire Protection and ambulance (OVAC) services.
- **VBM Village Tax covers** DPW: streets, lights, highway, sanitation, recycling. Recreation: parks, senior citizen services, veteran’s services and some seasonal recreation specialties. Pool, summer camp, tennis and other specialties are fee based.
- **VBM Village Tax covers** all administrative services in VH: Clerk (permits and Village elections), Court Clerk, Corporate Counsel, Treasurer, Building Inspector/Code Enforcement, Village Manager, Village tax collection, consultants and professionals. VBM Zoning, Planning and Building codes. Scarborough R/R station parking is fee based.
- **VBM Village Tax covers** the Village Library.

- TOS Zoning, Planning "grandfathering" and/or "Special Permits" to be continued by VBM Boards under TOS rules.
- Water, Sewer and storm drainage is through the VBM's **Water Fund**, not tax rates.

**VBM 2013-2014 total budget revenues** are the sum of:

- VBM's tax rate is \$93.99 tax rate / \$1000 assessed value utilizing the TOS unitary TOS assessment roll.
- Other VBM income (sales/mortgage taxes + building and code fees, etc.).

All VBM services are within the NYS "2%" Tax Cap. Total General Fund balance is \$1,792,638 @ 11.56% expenses.

## How does TOS provide similar Village-type services in 1720?

- WC provides the TOS under a contract: police services: VBM would take over 1720 police coverage: work with both WC and TOS to effectuate.
- VOS provides the TOS (through at least 19 IMS's/contracts/service agreements): Fire Protection, engineering services, village sewer maintenance, water filtration and water delivery, Controller (Finance), IT services, Administrative Direction of the Town Parks Department, united Recreation Department and programming, Municipal Dumpsters, Cablecast and Streaming of TOS meetings, Rental of Administrative Office at Croton Avenue and South State Street locations for VH and Court; street lighting – installation- maintenance, organic waste area, vehicle fuel station.
- Private Carter (under annual contract) provides sanitary, garbage and recycling collection (under various conditions).
- VBM provides (under annual contract since 1943) for Fire Protection (FD 20) and BLS (basic life support) ambulance services.
- TOS provides the TOS TOS/VOS Clerk, Parker Bale Sewer Lift Station, TOS maintains village owned Veteran's park (VOS removes garbage, snow and ice).
- Town-wide Tax Driven (VBM, VOS, TOS): the unified Town Court (which the VBM cannot utilize for village court needs since VBM is in both TOS and TMP) Assessor, Receiver of Taxes, Town Clerk (see above) Town Attorney, Town

Board (Council) and Supervisor. There would be no change while VBM funds these and other services at approximately 38% by assessed value.

**Our conclusion in this first test is that the TOS is actually not a true operational community providing TOS based services. Except for the TOS Highway Department of (approximately) 8 employees, the TOS is a government in name only. This conclusion is predicated on the fact that the VOS and other governmental agencies (including the VBM and Westchester County) provide the overwhelming bulk of services (under service contract/agreements). Our contention (see below) is that the contiguous boundary with 1720 and the economies of operation/financial scale of VBM providing these services will be more efficient and cost effective for both 1720 and the VBM.**

**Taken separately, the second "test" cited in New York Zoning Law and Practice § 8A:14 states:**

**2. Another factor entering into the balance is whether the annexing municipality and the territory proposed to annexed have the "requisite unity of purpose and facilities to constitute a community."**

**What determines a community and what do 1720 and the VBM have in common community-wise or can effect in the immediate future?**

While the phrase: "What makes a village?" may have been used in another context, it does apply in the 1720 Annexation Petition. What is the existing and potential unity of community if the 1720 Annexation petition were to go forward to a vote? Becoming part of the VBM includes:

### **Parks and Recreation.**

- **Full use of VBM public parks:** including but not limited to Chilmark Park (baseball, soccer, 8 tennis courts which are in the design/plan stage of renovation. Neighborhood Park (baseball and open areas); McCrum Field for baseball, soccer, a comfort station and kids play area. Law Park (with adjacent school fields) for separate tennis courts, seasonal ice skating; club field for soccer and lacrosse; new field at the Youth Center and several walking trails.
- **Pool Summer Camp and facilities:** tennis and paddle tennis together with other programs are on a fee basis. Participation has been at a steady level

with a high point in 2003 and 2008. While we have no data as to 1720 school age children, our records and flexibility indicate full availability for our current series of programs.

- **TOS participation with VBM's Recreation Advisory Board.** We have had an Ossining High School resident as a member of the VBM Recreation Board and are always looking for TOS participation with our current programs. We anticipate that the 1720 members could enable VBM to expand programs that now have a minimal participation level. Our Youth Center is open to all youth regardless of school district location.
- **Ryder Park.** Any level of participation by VBM in the maintenance and upgrade to Ryder Park will be in keeping with all aspects of the current indenture as a TOS park.

### **Briarcliff Manor Public Library and Community Center.**

- Local residents already use the services and resources of many area libraries through the Westchester Library System (WLS). We have re-set and extended library hours to compliment what the Ossining Library currently offers in the form of operational and program planning. All VBM programs are open to all interested attendees and Ossining residents do utilize the library.
- The VBM library budget is \$579K or only 5.78% of the total 2013-2014 village budget: **this equates to \$.20 / day or some \$72.38 / year per average tax payer.**
- New Community Center: bids are currently being analyzed for award. This existing attachment to the library will become a warming and cooling center; fully WiFi ready and available, PEG broadcast facilities, kitchen and meeting facilities with break out areas for kids, young and older adults.

### **Railroad Station Parking Fees and Rates.**

**VOS Railroad Station:** Approximately 450 spaces (self park)

VOS residents: \$540.00 / year (@\$1.48/day)

TOS (non-VOS): \$1,000.00 / year (@\$2.74/day)

**Scarborough (VBM) Railroad Station:** Approximately 525 spaces (same pricing for self and/or valet parking)

464 VBM users: \$675.00 / year (@\$1.85/day; also have M and Q rates)

7 Non-resident users: \$1,200.00 / year (@\$3.29/day)

Pricing includes valet parking thereby ensuring near guarantee of parking spaces.

**Factors:** It is 3.7 miles from a sample 1720 TOS parcel to Scarborough Station parking; 2.7 miles from the same parcel to the Ossining Station. The average train time different from each station: 2 minutes longer from Ossining Station to NYC.

**Identification and Location.** Approximately 70% of 1720 has a Briarcliff Manor 10510 zip code. This is a known identifying location which endears these in 1720 to the VBM and it's stores/shops. For the most part virtually the same 70% must enter VBM roads to reach the VOS. The VBM Village Hall is approximately a full 2 miles (one way) less in location than the TOS Town Hall within the VOS Village Hall/Court/Police Department Headquarters and 2.5 miles less to the TOS Court and Police Department facilities.

**Proximity and Cost of Local Officials.** TOS officials all live in the VOS. While there is a political aspect to this current state of affairs, the Supervisor and all four members of the Town Council live in the VOS. The fact remains that the preponderance of voters and political centrism is the VOS. By law, all VBM officials must be residents and live in the VBM to hold office. Another aspect is that the TOS Supervisor is paid \$67,578 and has numerous benefits and is a member of the NYS retirement system as are the four members of the TOS Town Board (paid \$11,059 each and enjoying similar benefits). These are costs of part time officials in the day-to-day operations of the TOS. This does not include the cost of the TOS budget officer, a full time employee. By comparison, the VBM Mayor and Board of Trustees serve with no salary, no benefits and are not members of the NYS Retirement system. Historically, the day-to-day operations of VBM is entrusted to a professional Village Manager, under contract at the will of the Mayor and Board of Trustees. He is also the Deputy Clerk, Chief Executive Officer, Chief Budget Officer and Chief Operating Officer together with other posts/responsibilities. As of 1 April 2014, his salary was set at \$172,750 with traditional NYS benefits. There are no political parties at the local VBM level and any one can seek election through a non-partisan process each year. The cost of the town attorney is \$234,678 per year: that of the VBM General Counsel is \$135,000 per year: both under contract for services. The Town officials are paid in the town-wide charge.

**The VBM analysis focusing on the second "community" test reconfirms that TOS does not provide such municipal and social amenities on its own but contracts or shares responsibilities (primarily) with VOS. This situation creates a detachment of TOS residents from their own government injurious to the whole concept of a "community". VBM does provided its own enhanced level of such community amenities and facilities: this should be viewed as a positive and welcoming addition to those 1720 residents who perchance identify themselves as an extension of the VBM community.**

**Taken separately, the third "test" cited in New York Zoning Law and Practice § 8A:14 states:**

- 3. "Finally, a tax revenue impact, specifically the loss or gain of revenues by the involved municipalities, is an important factor."**

To start with, the following chart is a statistical comparison of the TOS unincorporated area (TOS O/S) to various TOS sub-sections: the 1720 area (1720 only); the remaining portion of the TOS (TOS net) and importantly, what percentile is 1720 if of the whole TOS (%1720/TOS O/S). With the exclusion of the mileage of TOS maintained Road (21.19% in TOS Roads) and WC/NYS maintained Road (67.37% in WC/NYS Roads) all within the 1720 area, 1720 equates to an average of 30.47% of 1720. Boiled down 1720 in the subjects of total assessment, parcels of land, voters, population and area average 30.47% ... say 1/3 of the total TOS.

### Compare TOS 1720 / Rest of TOS

Data Category	TOS O/S Total	1720 Only	TOS Net	% 1720/TOS O/S	Variance to Assessment (XXX/Assess.)
<b>Assessment</b>	\$49.6M	\$16.7 M	\$32.9M	<b>33.68%</b>	<b>100%/1.0X</b>
<b>Parcels (hholds)</b>	1,945	567	1,378	<b>29.15%</b>	<b>86.55%</b>
<b>Voters</b>	4,209	1090		<b>25.90%</b>	<b>76.90%</b>
<b>Population (2010/2012)</b>	5,293	1,604	3,143	<b>30.30%</b>	<b>89.96%</b>
<b>Area (sq. miles)</b>	3.0	1.0	2.0	<b>33.33%</b>	<b>98.96%</b>
<b>TOS Roads (miles)</b>	21.0	8.23	12.77	<b>21.19%</b>	<b>62.92%</b>
<b>WC/NYS Roads</b>	5.64	3.80	1.84	<b>67.37%</b>	<b>2.00X</b>

Further, there is a series of fundamental costs and trade-offs in reaching a conclusive answer as to cost savings for either (or both) the 1720 petitioners, the VBM and the TOS.

**First**, it is important to fully analyze the costs of VBM providing services to the 1720 area. Based on internal departmental discussions and the need to meet increasing service ranges with the addition of the 1720 area, the following are the primary/major cost centers, areas and respective calculations utilized in our allocations:

- **Police Coverage** is probably the most expensive. First we base the cost per Police Officer (PO) at the Patrolman Grade 1 salary level; then we multiply the base salary by 1.6854 X (that is, the "cost markup") to take into account the additional cost of benefits. We have determined that 5 additional PO's would be necessary to bring the department to full strength when covering 1720. These are allocated as 3 for 1720 coverage and 2 to complement the existing VBM need. Therefore 3 (60%) of the total cost was allocated as an additional cost of taking over 1720 police needs.

The following highlights the true costs to all TOS residents for the Westchester County Police Protection (service) contract.

### **Police Department Comparatives\*** (Comparable 2013/2014 budget years)

The chart below provides a listing of the comparative statistical areas of Unincorporated TOS to the VBM portion (within the TOS), under consideration.

	<b>TOS</b>	<b>VBM*</b>	<b>VBM (ratio to TOS)</b>
Total <b>Population</b> Serviced	5,293	7,115*	1.34X
Total <b>Assessed Value</b> contained	\$49.6M	\$98.3M	1.98X
Total <b>Area</b> (square miles)	3.0	5.14*	1.71X
Total <b>Roads</b> (miles)	21.0	35.14*	1.67X
<b>Total Police Costs (budget)</b>	<b>\$2.510M</b>	<b>\$3.236M*</b>	<b>1.30X</b>

As indicated below, the most striking comparatives are based on "economies of scale" as they pertain to the cost of LOCAL police protection. These charts compare the true costs of police contractual services by the objective measurements as to population, assessment (per \$1000 of assessed value), square miles of area and total miles of roads patrolled between the TOS as a whole (since the WC Police contract is for the entire TOS) and the pro-ration of the same costs to that portion of VBM solely within the TOS. Lastly, it should be noted that there is an incomparable component to this analysis: while the VBM police department would be patrolling 1720 as it does the rest of VBM, the PD Hdq. is closer in proximity overall and is deeply familiar with the 1720 area in particular since the VBM Police Department provides mutual aid to the area in question.

Today, the VBM provides a lower cost basis of daily police protection in cost per resident; lower cost per \$1000 of assess value; lower cost per square mile of coverage and, lower cost per mile of road.

### **Cost of Police Protection by Statistical Area (\$):**

	<b>TOS</b>	<b>VBM*</b>
<b>\$ Cost per resident</b>	<b>\$474.00</b>	<b>\$454.00</b>
<b>\$ Cost per \$1000/assessment</b>	<b>\$5.06</b>	<b>\$3.29</b>
<b>\$ Cost per square mile</b>	<b>\$836K</b>	<b>\$629K</b>
<b>\$ Cost per road mile</b>	<b>\$119K</b>	<b>\$92K</b>

**\*TOS unincorporated to VBM portion within TOS, pro-rated**

**DPW (Highway) Coverage.** In similar fashion the same was done with Highway/sanitation coverage. The number of new personnel is also 5 new people; the split of TOS vs VBM is the same; the mark-up is slightly lower; but, the costs of equipment and supplies/services are higher in the DPW than the Police Department. There is an additional irony regarding TOS services when it pertains to DPW service. TOS residents point to their own 8 member Highway department for the keen service and devotion to its residents. The TOS Town Board has shrunk the budget and been in conflict with the TOS superintendent of

Highways (an elected position) cutting his salary. This is not the case in the VBM with the DPW: the leadership or employees.

**Ambulance (ALS / FlyCar) Coverage.** Upon discussion with officers and staff of OVAC, a lateral transfer of the contractual costs of the 383 parcels contained in the 1720 area were moved from the Town Outside charge and allocated to the VBM Village Tax.

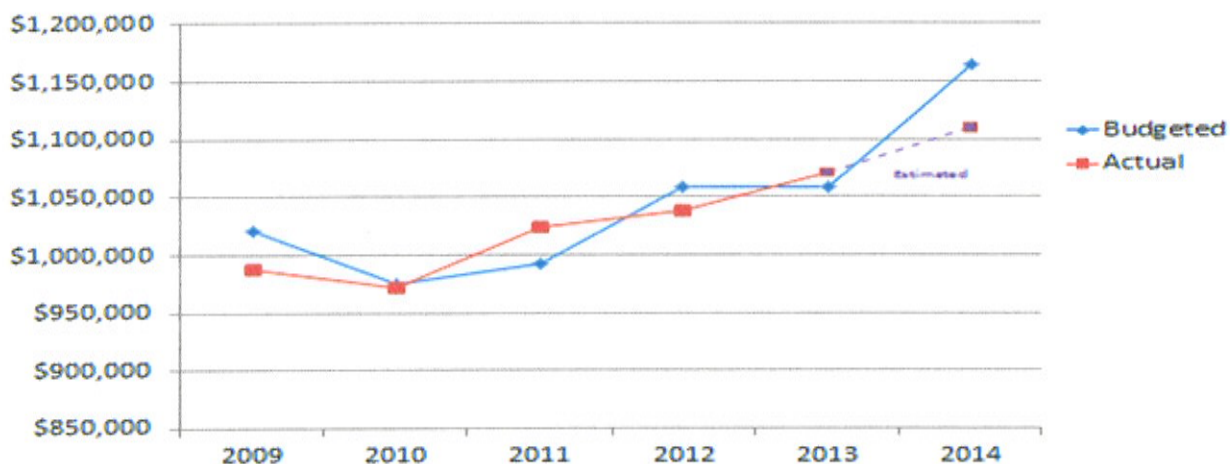
**Fire Protection (FD 20).** The full costs of FD 20 Fire Protection are transferred to the VBM tax Rate and we added \$50,000 to coverage the VOS contractual coverage of the remainder of Election District 17 that is currently serviced by the VOS FD.

**Additional VBM Administration Costs.** We added some \$50,000 in additional administrative costs to our budget to cover the increase of service (mailings, administrative coverage) of current VBM staff in assisting the TOS 1720 residents as new citizens of VBM.

**All in, the VBM will be adding approximately \$1,175,000 in service costs if 1720 were to become a part of the Village.**

The sales tax charts, below, compare the historical and projected sales tax revenues for the VBM and TOS since 2009 against their respective projections.

## Village of Briarcliff Manor Sales Tax

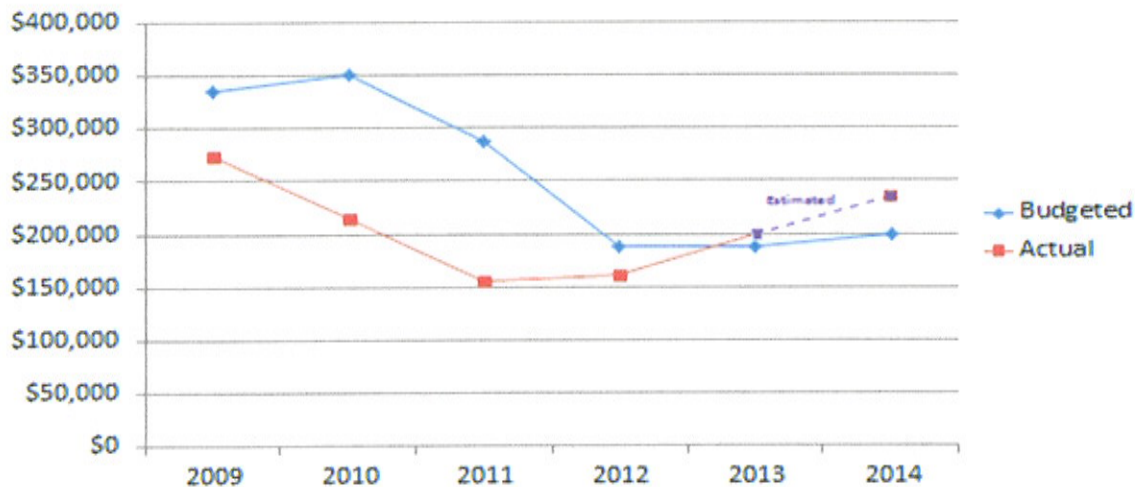


## Town of Ossining Sales Tax

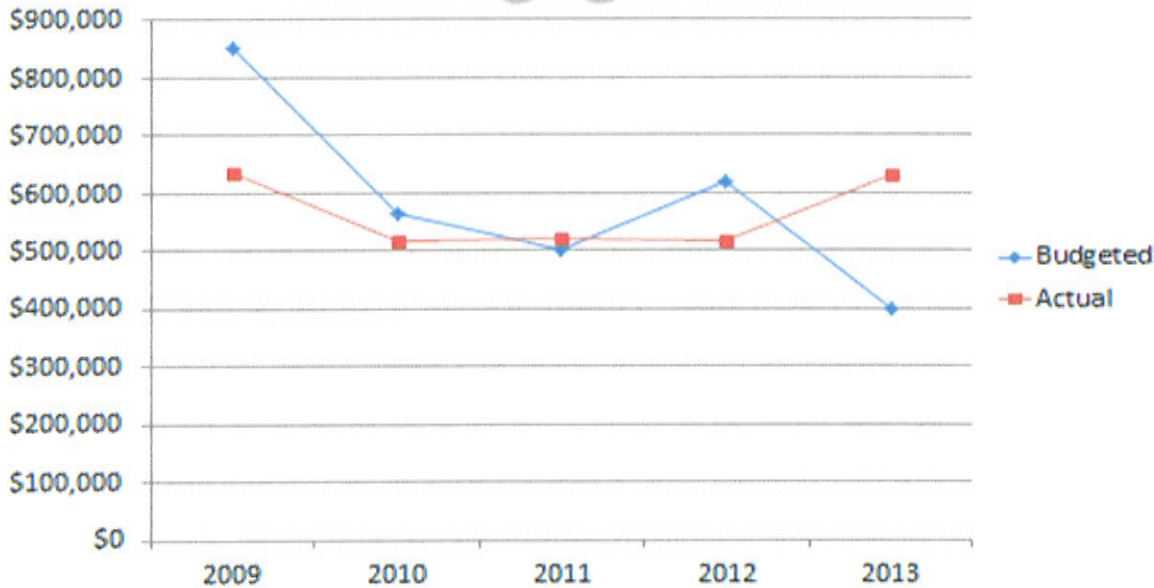


In similar fashion the Mortgage Tax charts provided below, plot the historical and projected mortgage tax collections since 2009 against their respective projections.

## Village of Briarcliff Manor Mortgage Tax



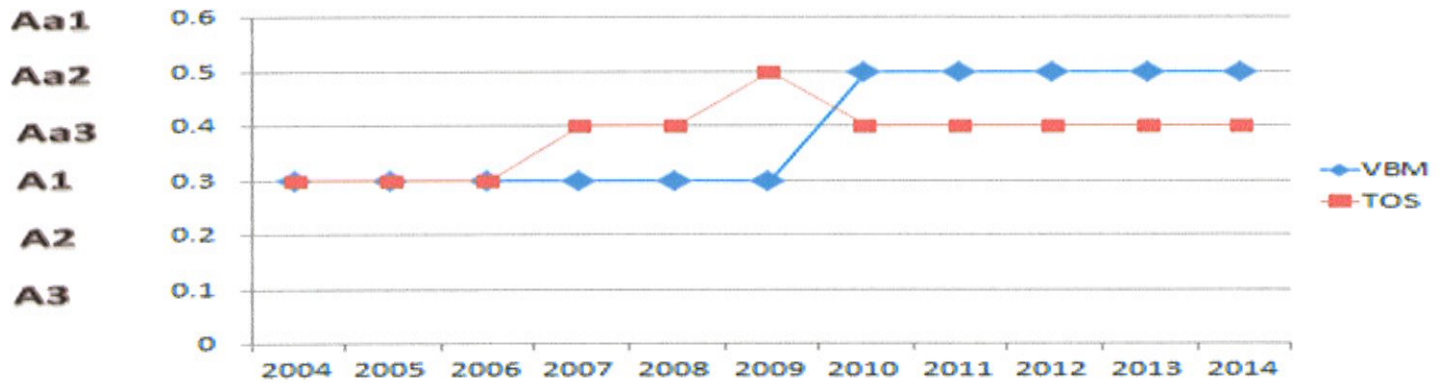
# Town of Ossining Mortgage Tax



Credit ratings and credit worthiness are important indices of not only how strong (that is, financially viable, for example) a local government is, but also how well run and oriented to the strict nature that municipalities are being “judged” in the market place. A key element in a municipality’s ability to finance public improvement type of projects rests on the bond rating of the borrower. Linked to the ability to borrow is what does the market place translate a community’s creditworthiness in terms of borrowing (interest) rates.

The chart below reflects the difference between the TOS and the VBM: Moody’s Bond Rating tracks the TOS and the VBM ratings since 2004. Of note is the ratings change since the beginning of the current economic downturn of 2009 to date and the relative positions of VBM to TOS reviewed by objective third party financial experts.

# Moody's Bond Rating



Next, we have taken a typical TOS unincorporated 1720 resident tax bill (2013) and replicated it for this presentation. The tax bill highlights the cost (**red\***) of TOS charges which equate to similar VBM services provided to VBM residents. The Town General Tax (**blue**) remains a charge to **all TOS taxpayers**. All other Town/County Taxes (**green**) remain with the 1720 residents.

## TOS 1720 Tax Bill Analysis equating to VBM village services.

Purpose/Use	Taxable \$Value	Tax \$ Rate	Tax \$Amount
Ossining Ambulance	21,740	3.62484	78.80 *
County Tax	21,740	58.81173	1,278.57
Town General Tax	21,740	11.51783	250.40
Unincorporated Tax	21,740	99.58658	2,165.01 *
County Solid Waste	21,740	5.74108	124.81
County Sewer	21,740	12.27594	266.88
Town Sewer Unit	1 unit	52.00000	52.00
Town Sewer District	21,740	5.2748	114.67
Refuse-Light-Fire	21,740	24.43552	531.23 *
Town-wide Water	21,740	.46374	10.08
<b>Total TOS Tax Bill</b>			<b>\$4,872.45</b>
<b>*Total TOS taxes equivalent to VBM Services</b>			<b>\$2,775.04</b>

The chart below was a part of the Joint Public Hearing of 12 December 2013 presentation(as updated). This chart indicates the macro-level of additional service costs that the VBM would need to provide (needed to be added on) if the 1720 annexation were successful. Our calculations are allocated for 3 additional Police Officers and 3 additional DPW employees (equating to 60%) attributable to cover the 1720 annexation. Currently the VBM has operated at force levels of 2 less employees in both departments. The prospect of an additional 2 in each department (40%) would be at BOT discretion in order to bring the VBM departments to full levels.

In all cases and examples, we are utilizing existing costs, expenses, revenue sources and tax rates in this comparison and study. The aforementioned chart therefore indicates an adjusted "cash flow" projection of the prospective savings to the typical 1720 resident.

### **Cost to provide Village services to 1720?**

<b>5 new Police Officers</b> (Net-Officers/vehicles/equipment)	\$776,282	<b>\$465,769</b> @60%
<b>5 new DPW personnel</b> (Net-workers/vehicles/supplies/equipment)	\$973,000	<b>\$583,800</b> @60%
<b>OVAC Ambulance</b> (all 383 parcels) (not a district ... contract-transfer)	\$25,354	<b>\$25,354</b>
<b>Fire District 20</b> (net 184 parcels) (not a district ... contract-transfer)	\$50,000	<b>\$50,000</b>
<b>Administration / Misc. Costs</b>	\$50,000	<b>\$50,000</b>
<b>Total VBM Additional Costs of 1720:</b>		<b>\$1,174,923</b>

36

The following chart "walks through" the cash effects as revenue sources and expenses for the VBM to add-on services and personnel in a 1720 annexation. As outlined, the VBM tax rate is reduced by approximately 6.19%: an estimated \$412.30 in taxes per average VBM assessment.

## Annexation cost effects to VBM...

	2013 – 14
<b>Start: 1720 assessments X current VBM tax rate generates:</b> ( $\$16,705,798 \times \$93.99/1000$ )	<b>\$1,570,178</b>
<b>Add:</b> Sales and mortgage tax generates	<b>\$240,925</b>
<b>Add:</b> Other revenue sources:	<b>\$109,063</b>
<b>Total net cash flow in:</b>	<b>\$1,920,166</b>
<b>Less cost (see above chart) to VBM's for 1720</b>	<b>-\$1,174,923</b>
<b>Less</b> assumable District Debt*	<b>-\$4,020</b>
<b>Less</b> assumable Highway & General Debt*	<b>-\$15,541</b>
<b>Less</b> loss in Fire Protection Revenue (Net)	<b>-\$95,000</b>
<b>Net Benefit to VBM</b>	<b>\$630,682</b>
<b>Equates to VBM tax savings (tax reduction)</b>	<b>6.19%</b>
<small>*2013 Budgeted Debt Service TOS outside less debt extinguished w/in 3 years of annexation: 2017</small>	

For the 1720 resident, (using this example) the current TOS outside tax rate of \$99.589/\$1000 (plus other tagged district costs) versus a projected new VBM tax rate of \$88.913/\$1000 is an approximate **30.34% reduction** or an estimated **\$842.07 cash savings**.

For residents of VBM, the VBM's current \$93.99/\$1000 rate is reduced to \$88.913/\$1000 due to the addition of the 1720 assessment and other revenue sources: a recalibration of the net savings to the VBM resident is **6.19% or an estimated \$412.30**. This reduction is a result of the (conservative) economies of scale of the merger of areas (assessments) and the extension of enhanced VBM services even after giving effect to add-ons (noted above) to cover the additional 1720 service area.

**As to the third test, municipal tax revenue impacts, our analysis is firm in its conclusion that there are significant savings and economies of**

scale in the 1720 annexation. While there are considerable savings for the 1720 petitions themselves, in absolute numbers and percentages, there are also commensurate savings to the residents of the VBM. The differences are also in ratio to the relative (assessments) of TOS and VBM. The economies of scale are also readily recognizable since the VBM has the infrastructure and "boots on the ground" in experienced personnel and equipment to take on the delivery of village-like services to the residents of 1720. We also view the impacts to the remaining part of the TOS as revenue neutral and perchance positive since the TOS is a contracting party which delivers traditional local services on a cost-plus contractual basis. These contracts are renewable (most are annual) and largely based on assessments or per parcel charges. Indeed as can be seen in the companion document "1720 Annexation Summary" the TOS retains all fund balances even if the services expire or are assumed by the VBM.

### **Our Overall, Concluding Analysis Indicates:**

- The VBM annexation analysis and presentation offers an objective review of current 1720 revenue sources and service levels while within the TOS.
- The VBM analysis outlines significant cost savings to 1720 residents for like, if not enhanced "municipal-based" services that VBM residents currently enjoy on an equal basis.
- 1720 municipal services would be provided directly by VBM; by VBM employees; and, by definition, more efficiently both as to service to be provided and by directly responsible departments and personnel.
- We contend that the elimination of various service contracts and so-called "districts" is a positive for all parties on a cost/benefit analysis since VBM functions on a consolidated operational and financial basis and the 1720 residents currently pay more and we contend for a lesser level of service. There is no double counting and should not be double taxing of 1720 residents.
- The prospective cost savings to 1720 are significant and the economies of scale for VBM are like-wise beneficial, if lesser so.

**We reiterate our firm belief that the three objective tests of overall public interest..."no harm – no foul"...are met:**

1. VBM based municipal services are to be provided and we believe on an enhanced more cost/benefit basis;
2. There is a unity of purpose and available facilities (besides a significant portion having a Briarcliff Manor address) to "constitute a community"; and
3. We calculate that the tax revenue impact is positive for 1720 and VBM but also for TOS. It is positive for TOS because VBM will be absorbing various charges that are "currently attached to 1720 residents" with no added burden to TOS's remaining residents. The sizable number of IMA's/contracts are renewable and unit/service priced and can be adjusted. The VBM believes that all reserves and fund balances remain with the TOS even though a case can be made that it should be transferred according to assessment levels. This is an enormous amount that, given existing legal analysis, a significant cash boost to TOS.

**Conclusion / Recommendation:** As separate documents, we have prepared a separate Memorandum "1720 Annexation Summary – Memorandum to the Mayor and Board of Trustees" and thereafter the document entitled "Findings, Resolutions and Order of the Village of Briarcliff Manor pursuant to Article 17 of the New York State General Municipal Law" that reconfirms the presentations and summaries contained herein and provides the operative vehicle for the Village of Briarcliff Manor Mayor and Board of Trustees to approve the Petition of the "owners of Property with Election Districts 17 and 20 Petition in the Incorporated Town of Ossining by the Village of Briarcliff Manor".

I would like to take this time and opportunity to thank all the VBM staff members who assisted in this project and Special Counsel Dan Pozin, Esq.

Respectfully submitted,

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Village Manager