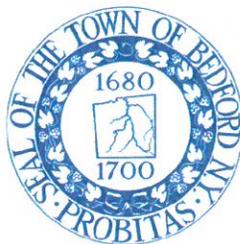


**TOWN OF BEDFORD**  
**COMPTROLLER'S OFFICE**

**Abraham Zambrano**  
Comptroller

**Elisa Alaimo**  
Senior Bookkeeper



**Alexandra O'Connor**  
Senior Account Clerk

**Missy Harold**  
Senior Office Assistant

November 1, 2016

Honorable Supervisor and Town Board  
Town of Bedford  
Westchester County  
Bedford Hills, NY 10507

Dear Supervisor Burdick and  
Town Board Members Roberts, Carr, Kass and Scott:

As you know, Supervisor Burdick pursuant to Section 103(2) of Article 8 of New York State Town Law, appointed me as Budget Officer with respect to the 2017 Town budget. Pursuant to that appointment and the provisions of Article 8 § 106 of New York State Town Law, I filed the Tentative Budget for 2017 with the Town Clerk. I present the Tentative Budget to you for your consideration and if you choose to adopt it, it will become the Town's Preliminary Budget for 2017.

The appropriations for the 2017 Tentative Budget for all funds is \$36,236,710 and the projected non-tax revenues total \$11,980,697, leaving an amount of \$23,906,013 to be levied as taxes; this amount is \$1,264 below the calculated allowable tax cap of \$23,907,277.

The Property Tax Levy Cap legislation came into effect in 2012 and was originally referred to as the 2% Tax Cap. However, the legislation as adopted made provisions for the tax levy to be allowed to grow on a yearly basis by either 2% or the rate of inflation; whichever is lower. Due to the Country's economic conditions, that percentage has eroded since the adoption of the legislation. This year, our allowable tax cap growth was set at 0.68% by the Office of the State Comptroller and our tax base growth at 0.94% by the Department of Taxation and Finance; this percentage is related to the increases in assessed valuation based on improvements to properties such as new construction. The combination of those rates total 1.86% and has allowed for the Town's total tax levy to grow by \$437,450 over the 2016 tax levy.

This year, taking into account increases in workers' compensation, health and liability insurance costs as well as contractual labor obligations and the Town Board's continuous proactive measures to maintain efficiencies, the proposed 2017 tax levy of \$23,906,013 will be under the Property Tax Levy Cap set by the State Comptroller's Office.

The total General Fund budget is \$20,495,444 which requires \$11,938,179 to be raised by taxes at a tax rate of \$20.3765 per \$1000 of assessed valuation. The proposed rate is \$0.23 higher than the rate for 2016, which represents a 1.14% tax rate increase. The General Fund Appropriations will increase \$300,660 or 1.49% higher than for 2016.

The Tentative General Fund budget includes an \$80,000 increase in Sales Tax Revenues as well as a small increase in Summer Camp fees and income from the Rental of Real Property.

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On the expense side of the Tentative Budget, aside from the fore mentioned insurances, the budget makes provisions for an expansion of our recycling program, additional paper shredding services for our residents, \$3,000 above 2016 funding for each of the three Libraries as well as a small increases in funding for the Conservation Board and for work at the Town owned cemeteries. The General Fund's Budget also includes an appropriation of \$200,000 from Fund Balance and \$175,000 from the General Fund Debt Service Fund Balance.

The Highway Fund's tentative budget totals \$7,970,968 and requires a tax levy in the amount of \$7,362,128 and a tax rate of \$12.5659 per \$1,000 of assessed value. This rate represents an increase of \$0.41 or 3.41% over the 2016 budget.

The Highway Fund's Tentative Budget makes provision for additional funding of \$50,000 above the 2016 budgeted amount for the Town's Road Maintenance program, as well as increases for health and workers' compensation insurance, contractual labor obligations and associated retirement contributions. Similarly to the 2016 Adopted Budget, the 2017 Tentative Budget includes an appropriation of Fund Balance of \$150,000. It also includes a \$90,000 appropriation from the Highway Fund Debt Service Fund Balance.

The Consolidated Water, Cedar Downs, The Farms and Old Post Water Districts' Tentative 2017 Budget require that the Town Board consider a 3% increase in water rates; the last water rate increase was in 2011. The Tentative 2017 Budget for the four water funds will cover the necessary expenses for each district in order to operate and deliver such vital service.

The 2017 Tentative Budget for the three Park District Funds include funding that would enable to the Town to continue providing such an important amenity to the residents. The Budget includes funding to appropriately staff the three parks and pools as well as for the maintenance of the grounds.

In addition to the information provided above, the following is a summary of supplementary factors regarding the Tentative 2017 Budget as presented.

Based on historical financial information and analysis, and current economic conditions, Non-Tax Revenues are being projected to total \$11,980,697 in 2017. This amount will represent 34% of the overall town-wide revenue sources for the year.

The proposed budget reflect salary increases throughout the budgetary accounts based upon our contracts with the PBA and Teamsters' Local 456, and recommended increases for the non-contract employees. The Town has current contracts with its three bargaining units; the agreement with the Blue Collar Teamsters Unit will expire on December 31, 2017 while the contracts with the White Collar Teamsters and PBA are due to expire on December 31, 2018.

Short term debt has increased by \$133,485 due to planned short term borrowing that will be issued to temporarily finance projects, while the long term debt funding will generate a decrease in appropriations in the amount of \$151,792.

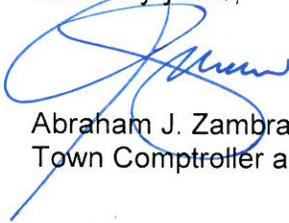
Assessed Valuations as reported by the Town Assessor demonstrate an increase from 583,475,484 to 585,878,509; a net increase of taxable assessments of \$2,403,025. Increases in the taxable assessments has allowed for the Town's Tax Base Growth to provide a much needed boost in the tax cap calculation.

The Town Board has been presented a draft Ten Year Capital Plan that includes projects ranging from improvements to Town owned facilities, infrastructure and road maintenance, to replacement of heavy equipment, police vehicles, records maintenance and financial software as well as equipment for public and traffic safety. The submitted Ten Year Capital Plan serves to guide the future decision-making of the Board on capital expenses and major improvements.

Financial Condition – Our auditors, O'Connor, Davis, Munns & Dobbins, LLP have expressed to the Board that our financial condition is excellent. We have obtained an Aaa bond rating from Moody's Investors Services, which is "notably stronger than the US city median of Aa3" according to Moody's. With this budget and the overall financial health of the Town, we are in a position to keep the Town of Bedford moving forward in the years ahead. With the Board's support we anticipate having another great year and continuous financial health.

All in all, the 2017 Tentative Budget as presented to the Town Board will meet the needs of the Town government in 2017.

Sincerely yours,



Abraham J. Zambrano  
Town Comptroller and Budget Officer