



VILLAGE OF CLAYTON TENTATIVE BUDGET (2016-2017)

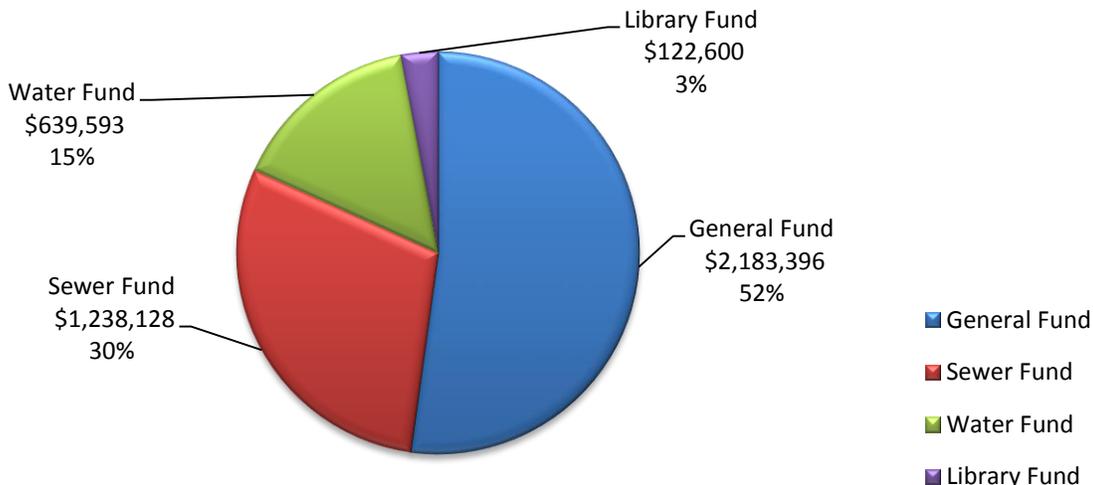
The process of collecting tax money and paying for government in the Village of Clayton begins with preparing the annual budget, which consists of four separate, distinct, and self-sustaining funds: the *General Fund* for general government expenses such as streets and police; the *Water Fund* for treatment and distribution of drinking water; the *Sewer Fund* for collection and treatment of wastewater; and the *Library Fund* (Hawn Memorial Library).

Each year, the Treasurer prepares this budget for the Mayor and the Board of Trustees, outlining appropriations (estimated expenses) for the coming fiscal year and indicating where the money is expected to come from (estimated revenues). The fiscal year for the Village of Clayton runs from June 1 to May 31. A public hearing is held during the month of April so that citizens may ask questions and give their opinions about the budget. Members of the Board of Trustees recommend changes and approve it when they are satisfied. State and Village laws set the deadlines for submission and adoption of a budget. Once the Board of Trustees has adopted the budget, it must be followed, but if changes become necessary, the Board of Trustees can make revisions to the budget through action at a public meeting.

2016-2017 Tentative Budget Breakdown

FUND	AMOUNT	PERCENT
General Fund	2,183,396	52.19%
Water Fund	639,593	15.28%
Sewer Fund	1,238,128	29.60%
Library Fund	122,600	2.93%
TOTALS	4,183,717	100.00%

Village of Clayton Tentative Budget 2016-2017



Sources of Revenue

Besides appropriations, the budget for the Village of Clayton contains estimated revenues (income) for the coming fiscal year. Most revenues available for the Village of Clayton come from property taxes, sales tax, gross utilities tax, franchise taxes, departmental income (such as clerk fees, parking meter charges, dock and ramp fees) and aid from the state government.

Property Tax

The property tax, or real property tax, as it is often called, is paid by individuals and businesses or organizations who own real estate. The property tax is the last item entered in the budget each year. When a budget is prepared, all the appropriations are added together to get the estimated total expenditures. The amount of property taxes to be collected is determined by the difference between income and expenditures and is added to the revenue side to balance the budget.

Sales Tax

In addition to the New York State sales tax of 4.00 percent, the Jefferson County Legislature has authorized an additional percentage (currently 4.00 percent) to the sales tax, and apportions a share of that sales tax to each local government in the County. The Village receives its share of sales tax from the Jefferson County Treasurer each quarter.

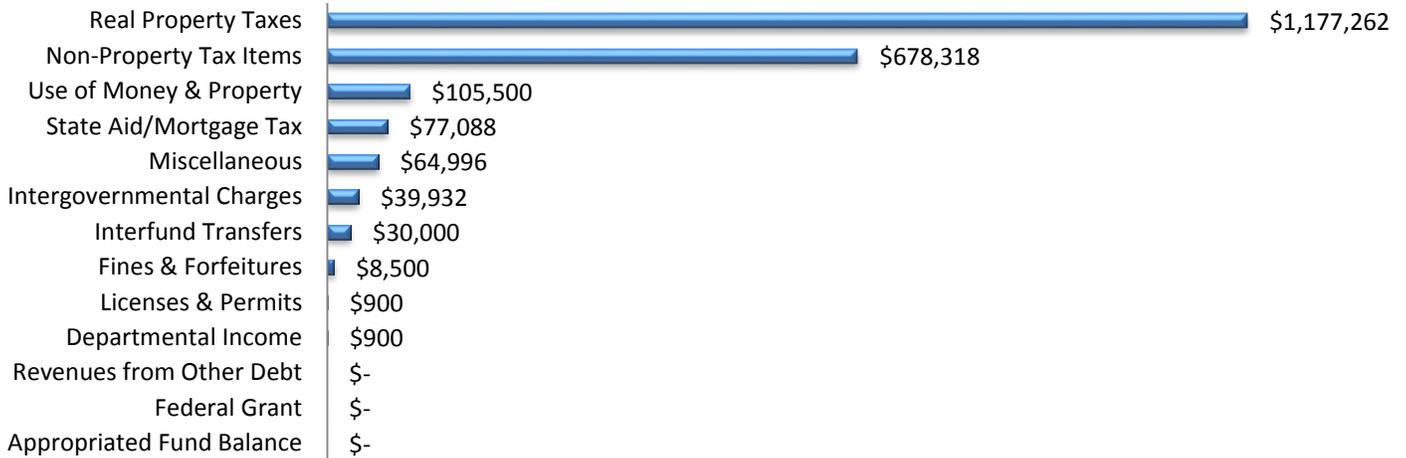
State and Federal Aid

Although an important source of funds for the Village of Clayton, aid from New York State has remained virtually unchanged over the past decade. The NYS Governor has advised that state aid will remain at 2013-2014 levels for the coming year. There have been limited opportunities for Federal funding over the past few years.

2016-2017 Tentative Budget - General Fund Revenues

Real Property Taxes	1,177,262	53.92%
Non-Property Tax Items	678,318	31.07%
Departmental Income	900	0.04%
Intergovernmental Charges	39,932	1.83%
Use of Money & Property	105,500	4.83%
Licenses & Permits	900	0.04%
Fines & Forfeitures	8,500	0.39%
Miscellaneous	64,996	2.98%
State Aid/Mortgage Tax	77,088	3.53%
Federal Grants/Aid	0.00	0.00%
Interfund Transfers	30,000	1.37%
Revenues from Other Debt	0.00	0.00%
Appropriated Fund Balance	0.00	0.00%
Total General Fund Revenues	2,183,396	100.00%

GENERAL FUND REVENUES: \$2,183,396



Other Revenues

Other revenues available to the Village of Clayton include payments for fines, license fees, permits and services performed for other municipalities.

Where It Goes

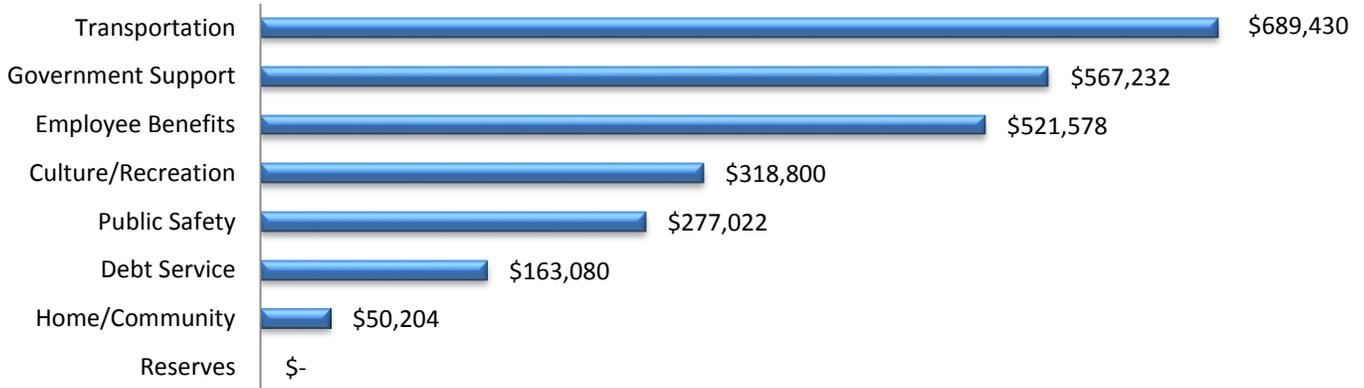
This year, the General Fund totals about 52% of the total budget of the Village of Clayton. The graphs below indicate the scope of those expenditures. The single largest item in the General Fund is transportation, which includes the Department of Public Works. The transportation part of the budget deals with street maintenance, snow removal, maintenance of parks, docks, etc. Pension and health insurance costs continue to increase disproportionately and have skyrocketed in recent years.

The Sewer and Water Funds are self-supporting. In other words, revenues from utility bills pay for debt service and operation and maintenance costs for these funds. Hawn Memorial Library is supported by the General Fund (Culture/Recreation), as well as through a special assessment tax included on your school tax bill.

2016-2017 Tentative Budget - General Fund Expenditures

Government Support	567,232	21.92%
Public Safety	277,022	10.71%
Transportation	689,430	26.65%
Culture/Recreation	318,800	12.32%
Home/Community	50,204	1.94%
Employee Benefits	521,578	20.16%
Debt Service	163,080	6.30%
Reserves	0	0.00%
Total General Fund Expenditures	2,587,346	100.00%

GENERAL FUND EXPENDITURES: \$2,587,346



The Debt Limit

State law sets a limit on the amount of debt a government may incur. For the Village of Clayton, the debt limit is seven percent (7%) of the five-year average full value of taxable property. State legislation also limits the amount of interest a municipality may pay for borrowed funds. The Village debt limit is considerably less than the allowable threshold.

Certain kinds of debt are not subject to the debt limit. These are monies borrowed to construct something that will produce revenue, such as a water supply system or sanitary sewer system.

The Constitutional Tax Limit

The New York State Constitution sets an upper limit, called the tax limit, on the amount of property taxes that the Village of Clayton may collect for operating expenses. For the Village of Clayton, the constitutional tax limit is two percent (2%) of the full value of taxable property averaged over the last five years. The full value of taxable property in the Village of Clayton for 2016-2017 is \$176,906,250 as of the date of this report.

Real Property Assessment

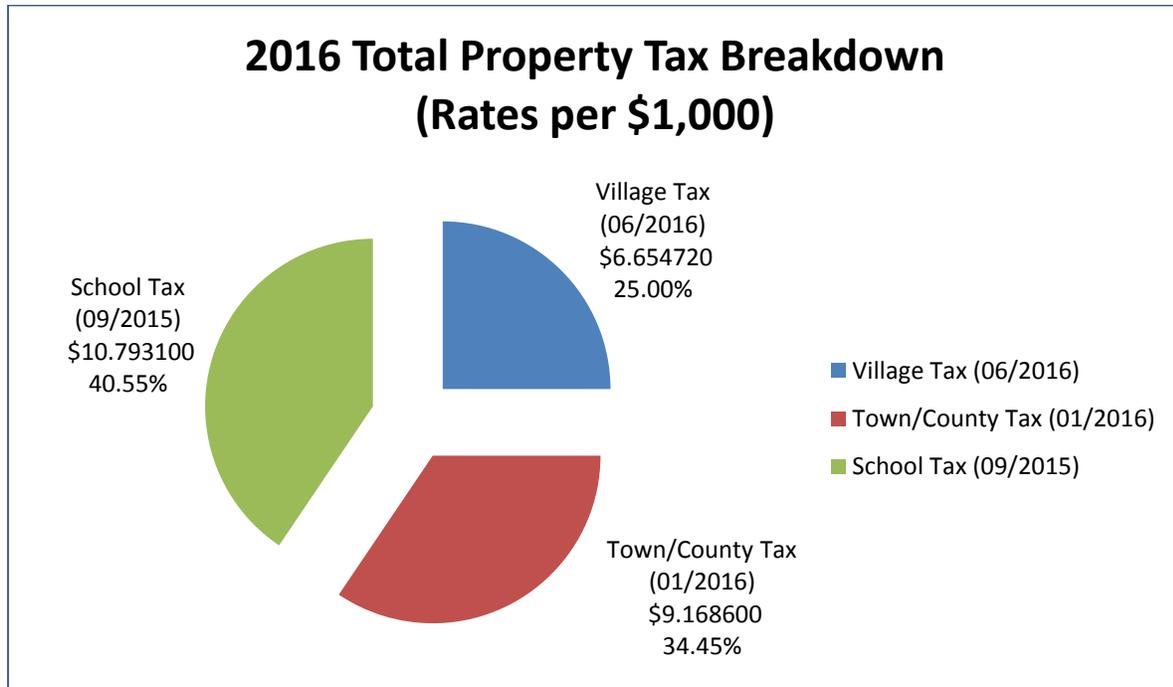
After the budget has been approved, the tax bills must be sent to the taxpayers. Property tax is based on the value (ad valorem) of real estate. The process of determining property value for tax purposes is called "assessment." The Village of Clayton is no longer an assessing entity, but obtains its taxable base through Town of Clayton assessments as of March 1st of the previous calendar year. The Town of Clayton assessor has assessed all real estate in the Village of Clayton at full market value. Those figures are used to determine the amount of tax owed by each property owner in both the Village and the Town. Examples follow:

Example	Assessed Value	Rate per \$1,000	Tax Owed
Residence 1	104,500	6.65472	\$695.42
Residence 2	132,700	6.65472	\$883.08
Residence 3	398,800	6.65472	\$2,653.90
Business 1	542,100	6.65472	\$3,607.52
Business 2	810,000	6.65472	\$5,390.32

Village Taxes

Tax bills are sent out to Village residents by May 31st each year and must be paid to the Village by the end of October each year. If the tax is not paid by that date, it is returned (releived) to the County, which reimburses the Village and then exacts the tax from the taxpayer. Because the Village of Clayton is surrounded by the jurisdiction of the Town of Clayton, of which it is a part, Village taxpayers also pay Town taxes.

The following chart shows a breakdown of the "per thousand" tax rates for the annual tax bills received by each owner of property within the Village limits.



Some of the services provided through your Village taxes are, in no particular order:

- *Street Lighting and Street Maintenance*
- *Winter Road Maintenance (Plowing and Sanding)*
- *Public Sidewalks*
- *Public Docks (Mary Street Dock provides a berth for "Last Chance" fire boat)*
- *Public Parks*
- *Public Playgrounds*
- *Public Boat Launch*
- *Village-wide Spring Pickup and Fall Brush Pickup*
- *Frink Park Riverwalk Pavilion (Train Station) with open WiFi*
- *Police Protection through the Village Police Department, including Dog Control Officer*
- *Mayor and Village Board*
- *Village Clerk*
- *Village Treasurer*
- *Handicapped Parking Permits*
- *Street Sweeping*
- *Sidewalk Replacement Plan*
- *U.S. and Canadian Flags on Display*
- *Holiday Decorations*
- *Support for the following organizations:*
 - *Chamber of Commerce*
 - *Clayton Local Development Corporation*
 - *Paynter Senior Center*
 - *Hawn Memorial Library*
 - *Clayton Youth Commission*
- *Shared Services:*
 - *Joint Zoning Board of Appeals*
 - *Joint Planning Board*
 - *Joint Justice Court*
 - *Joint Highway Garage*
 - *Joint Historian*

NOTE: Sewer and Water Funds are NOT supported through Village Taxes. The Water and Sewer Funds are "self-sustaining," meaning that they must generate revenues enough to cover anticipated expenditures each year. Water and Sewer revenues are based on an Equivalent Dwelling Unit (EDU) model of billing, resulting in more equitable distribution of Operation & Maintenance (O&M) costs and debt service costs among users.

A Note from the Treasurer

You might have missed being able to peruse this fascinating handout for the 2015-2016 fiscal year, but I'm pleased to be back in the office full-time, and happy to bring it back for 2016-2017!

The past year has brought many positive changes to the Village, not least of all the fact that the position of Clerk-Treasurer (in which I have served you for eight of my 18 years with the Village) has been separated into two appointed positions. Due to the growth of the Village in the recent past, this welcome change will provide better and more consistent service to our residents and taxpayers. We are pleased to continue to have the assistance of Deputy Clerk Pamela J. Pavao, and I hope you all stop by the office to welcome Michelle E. Gaeta, our new Clerk.

In addition, the elected positions of Mayor and Trustees, as well as the appointed positions of Clerk and Treasurer, have been increased to four-year terms. This allows the Board members to engage in a deeper understanding of the workings of local government, and to begin and potentially complete major as well as minor projects, whether already underway or still in the planning process.

I am excited to be able to dedicate myself wholeheartedly to the financial matters of the Village, and look forward to assisting the Village Board and you, the taxpayers, as we implement a more defined long-term capital plan and a multi-year financial plan to assist in accurate budget development and implementation. We will continue to strive to offer Village-wide financial statements, which require us to complete the assessment and valuation of the entire Village infrastructure system. As you can imagine, this is a lofty goal, but I believe it is an attainable one.

As we continue our journey to improve the quality of life in the Village while maintaining our fiscal integrity, I hope you will feel comfortable either calling me or stopping by the office with any questions you may have. I'll be happy to spend time answering them, and will do my best to address your concerns.

Respectfully,

Geneva Phelps Miller
Village Treasurer