

VILLAGE OF CLAYTON TENTATIVE BUDGET (2017-2018)

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:

- **General Fund** for general government expenses (such as streets and police)
- **Water Fund** for treatment and distribution of drinking water
- **Sewer Fund** for collection and treatment of wastewater
- **Library Fund** - Hawn Memorial Library

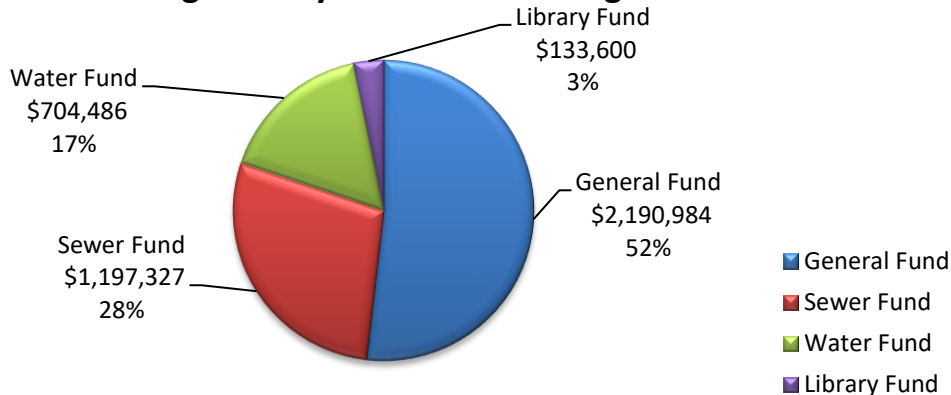
Each year, the Treasurer prepares a tentative budget for review by the Mayor and the Board of Trustees, outlining appropriations (estimated expenses) for the coming fiscal year and indicating where the money is expected to come from (estimated revenues). The fiscal year for the Village of Clayton runs 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 proposed/tentative budget. Members of the Board of Trustees may recommend changes to the budget subsequent to the public hearing, and approve the new fiscal year budget when they are satisfied.

State and Village laws set the deadlines for submission and adoption of a budget. The final budget must be adopted no later than May 1st. Once the Board of Trustees has adopted the budget, it must be followed, but if changes become necessary during the fiscal year, the Board of Trustees can make revisions to the budget through action at a public meeting.

2017-2018 Tentative Budget Breakdown

<i>FUND</i>	<i>AMOUNT</i>	<i>PERCENT</i>
General Fund	2,190,984	51.83%
Water Fund	704,486	16.67%
Sewer Fund	1,197,327	28.33%
Library Fund	133,600	3.17%
TOTALS	4,226,397	100.00%

Village of Clayton Tentative Budget 2017-2018



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 for local sales tax (currently 4.00 percent). A share of the total sales tax collected in the County is apportioned to each local government in the County. The Village receives its share of sales tax from the Jefferson County Treasurer each quarter.

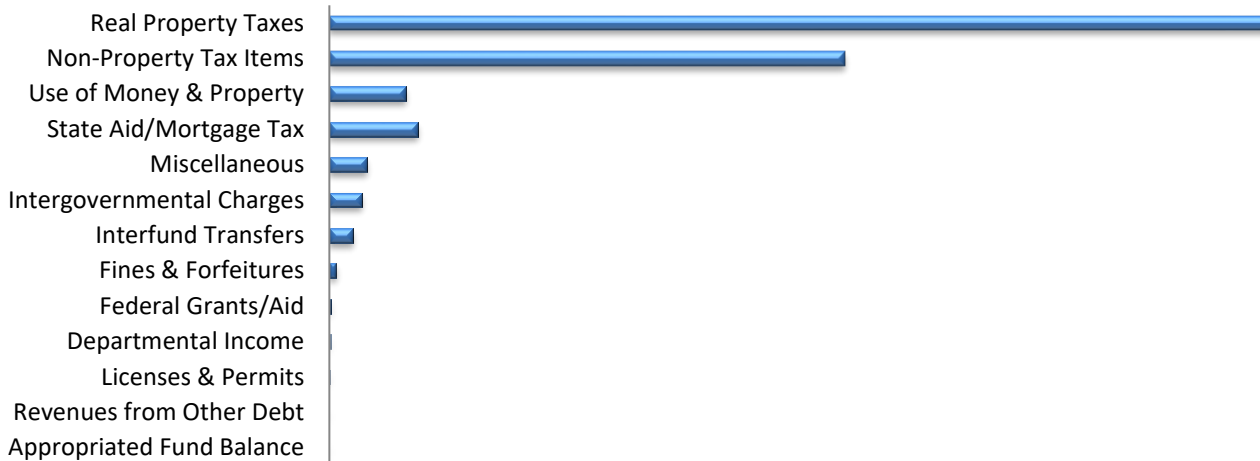
State and Federal Aid

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.

2017-2018 Tentative Budget - General Fund Revenues

Real Property Taxes	1,195,210	54.55%
Non-Property Tax Items	656,318	29.95%
Departmental Income	1,100	0.05%
Intergovernmental Charges	40,932	1.86%
Use of Money & Property	97,000	4.43%
Licenses & Permits	700	0.04%
Fines & Forfeitures	8,500	0.39%
Miscellaneous	47,025	2.15%
State Aid/Mortgage Tax	112,199	5.11%
Federal Grants/Aid	2,000	0.10%
Interfund Transfers	30,000	1.37%
Revenues from Other Debt	0.00	0.00%
Appropriated Fund Balance	0.00	0.00%
<i>Total General Fund Revenues</i>	<i>2,190,984</i>	<i>100.00%</i>

GENERAL FUND REVENUES: \$2,190,984



Other Revenues

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

Expenditures – Where Your Money Goes

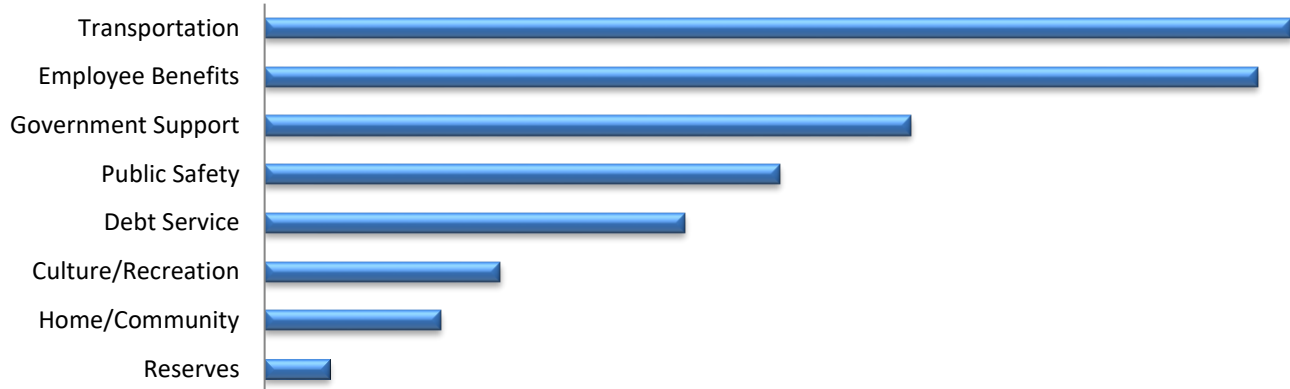
This year, the General Fund budget remains at about 52% of the combined total budget of the Village of Clayton. The graphs below indicate the scope of those expenditures. The single largest item in the General Fund is transportation, followed closely by employee benefits. The transportation portion of the budget includes the Department of Public Works, and deals with street maintenance, snow removal, maintenance of parks, docks, etc. Employee benefits include NYS retirement contributions (pension costs), which appear to be leveling out, and health insurance, which has seen a steady increase each fiscal year.

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.

2017-2018 Tentative Budget - General Fund Expenditures

Government Support	347,071	15.84%
Public Safety	276,712	12.63%
Transportation	551,663	25.18%
Culture/Recreation	126,450	5.77%
Home/Community	94,629	4.32%
Employee Benefits	533,711	24.35%
Debt Service	225,748	10.31%
Reserves	35,000	1.60%
Total General Fund Expenditures	2,190,984	100.00%

GENERAL FUND EXPENDITURES: \$2,190,984



The Debt Limit

New York 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. 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 Village debt limit is considerably less than the allowable threshold.

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 2017-2018 is \$177,825,135 as of the date of this report.

Real Property Assessment

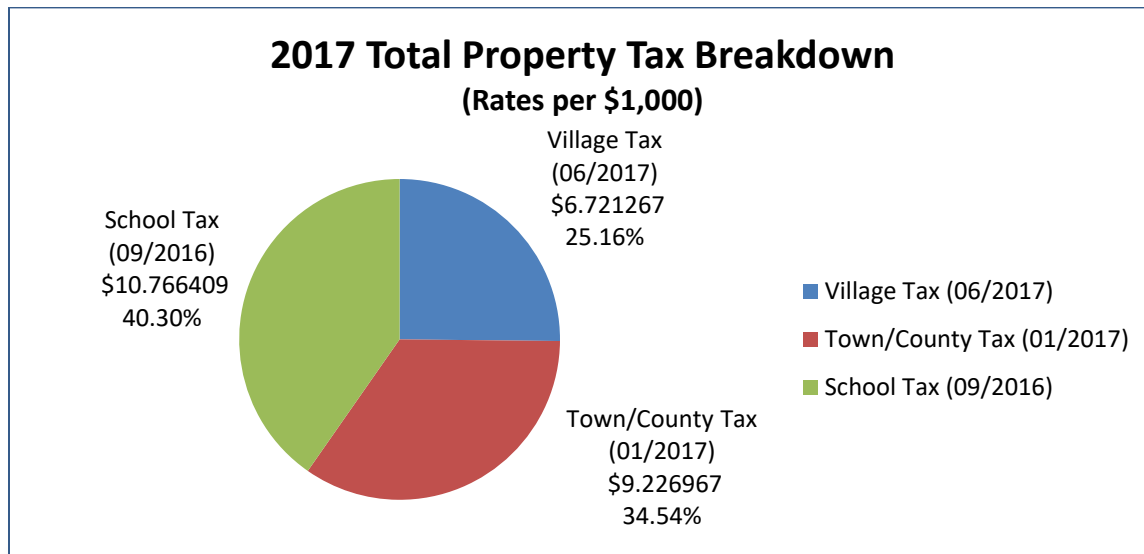
After the budget has been approved, tax bills must be sent to the taxpayers. Property tax is based on the value (ad valorem) of real estate. The process of determining property value for tax purposes is called "assessment." The Village of Clayton is no longer an assessing entity, but obtains its taxable 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.

Example	Rate per \$1,000	Assessed Value	Tax Owed
Residence 1	6.721267	104,500	\$702.37
Residence 2	6.721267	132,700	\$821.91
Residence 3	6.721267	398,800	\$2,680.44
Business 1	6.721267	542,100	\$3,643.60
Business 2	6.721267	810,000	\$5,444.23

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 (relevied) 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.



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 among all users for Operation & Maintenance (O&M) costs and debt service costs.

The following is a list of some of the various services provided through your Village taxes:

- *Winter Road Maintenance (Plowing and Sanding)*
- *Public Sidewalks*
- *Public Docks*
- *Public Parks*
- *Public Playgrounds*
- *Public Boat Launch*
- *Municipal Building – available for various public and private functions*
- *Village-wide Spring Pickup and Fall Brush Pickup*
- *Frink Park Riverwalk Pavilion (Train Station) with open WiFi*
- *Mayor and Village Board*
- *Police Protection through the Village Police Department*
- *Village Clerk*
- *Village Treasurer*
- *Handicapped Parking Permits*
- *Street Lighting and Street Maintenance*
- *Street Sweeping*
- *Sidewalk Replacement Plan*
- *U.S. and Canadian Flags on Display*
- *Holiday Decorations*
- *Dog Control Officer*
- *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*