

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to
the Rates, Charges, Rules and Regulations of
New York State Electric and Gas Corporation
for Electric and Gas Service.

Cases
09-E-0715 &
09-G-0716

REBUTTAL TESTIMONY
AND EXHIBITS OF
BARBARA J. FIALA
BROOME COUNTY EXECUTIVE

Dated: February 12, 2010
Binghamton, New York

JOSEPH J. SLUZAR, ESQ.
BROOME COUNTY ATTORNEY
WILLIAM L. GIBSON, JR., ESQ., OF COUNSEL
EDWIN L. CRAWFORD COUNTY OFFICE BUILDING
P.O. BOX 1766
60 HAWLEY STREET
BINGHAMTON, NEW YORK 13902
wgibson@co.broome.ny.us

1 Q Please state your name, title and business address.

2 A. My name is Barbara J. Fiala. I am the Broome County Executive and my business
3 address is Edwin L. Crawford County Office Building, P.O. Box 1766,
4 Binghamton, NY, 13902.

5 Q. Why are you testifying here today?

6 A. I am aware that a petition for a rate increase has been filed by NYSEG for both
7 electric and gas delivery charges under the above captioned cases. NYSEG has filed
8 testimony in support of its petition and the PSC Staff, and other intervenors, have
9 filed testimony in response. Broome County has intervened in the proceedings and I
10 wish to offer rebuttal testimony since even the relatively low rate increase
11 recommended by Staff is still unaffordable and would have an adverse effect on
12 municipalities in New York State. I will also discuss how this municipal rate
13 impact is different from the impact on other consumers. Both NYSEG and the DPS
14 Staff propose rates for municipal customers that fail to consider the economic
15 impact of those rates and other special circumstances, which I will describe more
16 fully in my testimony, that differentiate municipal customers from other electric and
17 gas customers.

18 Q. How would you summarize your testimony?

19 A. Based on the testimony I am about to offer I believe there is a rational basis for
20 establishing a separate service classification for municipalities in New York State.

21 Q. Do you wish to testify about any baseline cost data?

1 A. Yes. Broome County during 2009 paid NYSEG \$669,380 for electric and
2 \$272,120 for natural gas delivery services. Assuming an average rate increase for
3 NYSEG electricity delivery charges of 22.03% (based on the average consumption
4 for SC-2, SC-6 and SC-7) the County's cost for the same quantity of electricity
5 delivery would increase by \$174,464. Assuming an average increase in the natural
6 gas delivery charge (SC-5T and SC-1T) of 41.4%, the County's cost for the same
7 quantity of natural gas delivered would increase by \$115,569 which would produce
8 a total increase to the County of \$290,033. All of these calculations are based on
9 the actual delivery charges for electricity and natural gas that Broome County paid
10 in 2009 and the service classifications listed on my Exhibits ____ (BJF-1) and
11 ____ (BJF-2).

12 Q. How would these increases affect the real property tax rate?

13 A. The tax rate would increase slightly by more than \$.50 per \$1,000 of assessed
14 valuation.

15 Q. Is your testimony offered in connection with the proposed electric distribution rate
16 (Case 09-E-0715) and the proposed gas distribution rate (Case 09-G-0716)?

17 A. Yes. I am asking that this testimony be entered into the record in both dockets. I
18 am only offering these as illustrations in connection with my basic premise that
19 there should be a separate municipal service classification to take into account the
20 constitutional taxing limit for a municipality and the unique differences between the
21 municipal consumer and other electric and gas consumers.

1 Q. Do you wish to testify about any background economic data?

2 A. Yes. It is no secret that Broome County has suffered significant economic loss
3 during the past decade. Our population has decreased from 201,072 in 1998 to
4 195,018 in 2008, a decrease of 6,054 residents or 3%. At the same time our total
5 assessed valuation in the County has been stagnant. In 1998 the total assessed
6 valuation was \$3,620,216,875 and in 2008 it was \$3,642,795,622. This represents
7 an insignificant increase of 0.6%. Currently the County's unemployment rate
8 stands at slightly less than 9%.

9 Q. What does this mean in the context of your testimony?

10 A. I'll start with a basic overview. A municipality in New York State has only two
11 sources of general revenue - sales tax and real property tax. Sales tax revenue goes
12 up or down depending on sales in any given year. There is no cap on the total
13 revenue. Unlike sales tax revenue, however, there is a cap on the amount the real
14 property tax levy can raise. This is the constitutional tax limit based on a percentage
15 of assessed valuation in any given taxing jurisdiction. Basically the limit is 2% of
16 the five year average of the municipality's full assessed value. However, there are
17 certain exclusions from the computation such as the amount of the tax levy needed
18 to pay debt service. The calculation is displayed on Exhibit ____ (BJF-4) using the
19 Village of Endicott as an example.

20 Q. How does this limit affect real property taxes?

1 A. If a municipality reaches its constitutional taxing limit, it cannot raise real property
2 taxes any higher and consequently its ability to raise revenue is capped. If expenses
3 increase for a specific commodity or service, then the municipality must either cut
4 other expenses or services in order to pay the increased commodity charge or
5 reduce the purchases of the specific commodity or service, or both.

6 Q. Can the tax limit for a municipality change?

7 A. Yes. If the total assessed valuation increases through new construction or otherwise,
8 the tax limit is recalculated. Assuming the amount needed to be raised by tax levy
9 remains relatively constant and the total assessed valuation increases, the
10 percentage of tax to total assessed valuation decreases. On the other hand, if a
11 municipality's total assessed valuation decreases because of tax certiorari
12 proceedings and re-valuations and the amount needed to be raised by tax levy
13 remains constant, the percentage of tax levy to assessed valuation increases.

14 Q. How is this different from any business?

15 A. A business can pay for its increased costs by raising the price of the goods and
16 services it sells. This spreads the increase among the entire cohort of purchasers of
17 the business's goods and services. If a municipality has reached its taxing limit, it
18 cannot pass through increases in the cost of goods or services via increased taxes.
19 The only recourse is to limit the services the municipality purchases or provides.

20 Q. Is Broome County itself approaching its tax limit?

1 A. No, not at present. Broome County is currently operating at about 60% of its
2 constitutional taxing limit.

3 Q. Are there any municipalities within Broome County that are approaching their
4 taxing limit?

5 A. Yes. In 2009 the City of Binghamton was at 83% of its taxing limit and the Village
6 of Endicott was at 82.11%. See Exhibits ____ (BJF-3) and ____ (BJF-4). As
7 Deputy State Comptroller Steven Hancox wrote to the City of Binghamton's Mayor
8 Matthew Ryan:

9 "By approaching its tax limit, the City has lost flexibility in designing its
10 revenue structure and may not be able to sustain the current level of services
11 provided to its citizens. Even normal cost increases can pose serious budget
12 difficulties if there is no corresponding growth in revenues."

13
14 The electric and gas rate increases proposed by NYSEG are hardly "normal cost
15 increases". Mr. Hancox went on to state: "While there is no absolute standard or
16 target for a tax levy as a percent of the Constitutional limit, our experience shows
17 that the City is in a 'caution' zone." So we have two municipalities in Broome
18 County that are facing serious budget difficulties.

19 Q. Putting the constitutional limit aside, are there differences between a municipal and
20 a non-municipal customer with regard to paying for the delivery charges for
21 electricity and gas?

1 A. Yes. A business can deduct its cost of electricity and gas on its federal and state
2 income tax returns. Likewise, a property owner can deduct property taxes on his or
3 her return. A municipality has no such tax shield.

4 Q. Are there other differences?

5 A. Yes. In the case of a municipality, if the charge for electric and gas delivery
6 increases, assuming there is no constitutional tax limit problem, this increase is paid
7 only by the owners of real property in the county and its municipal sub-divisions.
8 The owner of the real property has no way to avoid this increase. The private entity
9 spreads its increased costs across its entire product line rather than a finite few. In
10 addition, the customer of the private business entity has the option of not
11 purchasing the product or purchasing the product on the internet, or, in the case of
12 large industrial users, locating plant operations outside the service territory of the
13 utility effectively avoiding the direct impact of a utility rate increase. The real
14 property owner, on the other hand, has no way to avoid increased taxes. They must
15 be paid or the landowner faces an action to foreclose the lien of the taxes and lose
16 his or her land.

17 Q. Are there any other impacts on the real property owner when utility costs increase?

18 A. Yes, definitely. I call it the "double whammy". The landowner's taxes go up and
19 so does his or her utility bill. And the latter impact is typically not tax deductible to
20 the average residential customer.

1 Q. Do you have any suggestions as to how the effect of these proposed delivery charge
2 rate increases on a municipality can be limited?

3 A. Yes. I propose a separate municipal service charge as part of the utility tariff.

4 Q. Are you advocating a different rate classification for a municipality?

5 A. Yes.

6 Q. In other words, you're advocating that a separate SC classification should be
7 established for a municipality with the result that the municipality pays less for
8 delivery of electricity and natural gas than other customers of the utility.

9 A. Yes.

10 Q. Doesn't this violate the prohibition that rates not be unduly discriminatory?

11 A. No. There is ample precedent within the PSC approved tariffs for disparate
12 treatment of different classes of customers. For example, in most cases large
13 commercial and industrial customers pay less than residential customers on a kwh
14 or therm basis. There are special rates to encourage economic development and to
15 assist low income consumers. My proposed municipal classification simply
16 recognizes that municipalities are unique because of the constitutional tax limit and
17 the limitation of their revenue to sales and real property taxes. Because of these
18 factors as discussed above, the impact of a rate increase on a municipality is
19 disproportionate.

20 Q. Is there any other justification for a separate rate classification for municipal
21 customers?

1 A. Yes. Municipal customers almost never fail to pay their electric and gas bills.
2 Municipal bad debt expense is zero, unlike the bad debt expense of other customers
3 which are forecast for this rate increase at 1.44% for electric and 2.14% for gas. I
4 note these rates are higher than their historic averages, obviously a result of the
5 Great Recession. Accordingly, it is inappropriate to charge the average bad debt
6 expense experience to municipal customers who do not add to uncollectible
7 expense. That alone is sufficient justification for a separate rate class. Incidentally,
8 by including a level of uncollectible expense in rates that is based on recent
9 extraordinary circumstances, this is setting up NYSEG for a windfall when the
10 economy turns around and uncollectible expense returns to historic levels.

11 Q. Do you have any suggestions as to how such a separate rate would be determined?

12 A. Yes. One suggestion is to establish a benchmark. For example, the total delivery
13 charge for electricity would be the total charged the municipality during the
14 benchmark year. Then establish a methodology for adjusting the benchmark. For
15 example, every five years the benchmark rate would be adjusted either up or down
16 depending on the difference between the CPI for the end of the year prior to the
17 beginning of the benchmark year and the end of the fifth year of the benchmark
18 with a cap of 3%, provided that if this impacted the municipalities' real property tax
19 levy so that the taxes levied exceeded 85% of the municipality's tax limit there
20 would be no adjustment. Some might argue, however, that this approach separates
21 ratemaking for municipalities from the generally established procedure to balance a

1 reasonable rate of return to the utility shareholders and the ability of the consumer
2 to pay.

3 Q. Do you have any alternative suggestions?

4 A. Yes. Simply establish the municipal rate as a percentage of the lowest service
5 charge allowed by the Commission with a cap on any increase that results in
6 exceeding 85% of the constitutional tax limit. This would allow for the pricing
7 structure to reflect utility costs and a reasonable rate of return for the shareholder
8 and yet recognize the uniqueness of municipalities. For example, the new
9 municipal rate would be 85% of the lowest rate charged to a service classification,
10 presumably the large industrial rate classification.

11 Q. Isn't 85% of the lowest rate arbitrary and unrelated to costs and ability to pay?

12 A. I simply used 85 % as an illustration. The actual percent of the lowest SC charge
13 could be determined after a thorough analysis of the facts consistent with the
14 principles I have set forth.

15 Q. Are there other ways to lessen the rate impact on municipalities?

16 A. Yes. The Commission could consider exempting municipalities from the System
17 Benefits and Renewable Portfolio Standard charges. It seems unfair for the
18 municipality to pay these charges which are then passed through to the residents
19 and businesses in the municipality in property taxes while they have to pay these
20 charges directly for their own electric and gas accounts.

1 Q. Do you believe that a separate service classification for municipalities that
2 incorporates one of the alternative rate structures you've testified to has a rational
3 basis that is consistent with the requirement that rates be just and reasonable,
4 provide a reasonable return for utility investors and yet are fair to consumers?

5 A. Yes. A separate municipal service classification indeed has such a rational basis.
6 This SC would recognize the traditional right of the utility's shareholders to realize
7 a reasonable rate of return but, more importantly, would recognize the uniqueness
8 of municipalities as consumers of electricity and natural gas and the unique nature
9 of the municipality's revenue structure and limited ability to pass on increased
10 utility costs.

11 Q. Is it reasonable to consider a municipality's ability to pay in establishing rates under
12 the Public Service Law?

13 A. While I am not expert on the Public Service Law, I do believe it is appropriate when
14 the Commission makes a decision on rates to consider the type of customer and the
15 ability to pay. This consideration appears to be an essential component in setting
16 just and reasonable rates. My review of the Commission's Statement of Policy
17 Concerning Evidence of Economic Impact in Rate Cases, issued on January 14,
18 1980 ("Statement of Policy"), over thirty years ago, confirms my position. As the
19 Commission stated:

20 "Economic impact" sometimes is conceived as connoting only the
21 difficulty or hardship imposed on the consumer as a direct result of the
22 consumer's monthly bills for utility service. But we understand the term

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more broadly. Utility rates have various potentially harmful and beneficial multiplier effects on the overall financial and economic health of the territory where the rates are imposed.

* * *

We have implicitly recognized economic impact in several ways. In fact, concern about potential customer hardship informs the very idea of regulation. Statute and case law constrain us to examine proposed rates to assure that they do not exceed the minimum that will cover a company's prudently incurred costs, including a reasonable return allowance. Regulation in the public interest assures that prices will be just and reasonable, and not the maximum that a company might exact by reason of its monopoly position.

Statement of Policy at pages 2 – 3.

Q. Are there examples of where the Commission has set rates on policy grounds other than pure cost of service principles?

A. The Commission has authorized so-called "flex rates" to enable a utility to attract or keep a large industrial customer. These rates flex down to the cost to provide service while still making a small contribution to the utility's margin. Also the legislature recognized that religious customers should be given the option of selecting service at a residential rate if that rate produced a lower bill. So these are just two relatively small departures from a cost of service basis that were sustained on other policy grounds. Perhaps the most significant departure from cost of service in the last 15 years was the Commission's decision to have the utilities divest themselves of generating assets to independent third parties and to price commodity rates on a competitive market run by the New York Independent

1 System Operator. This extraordinary departure from cost based rates was justified
2 on grounds of economic efficiency. While I am told that the efficiency and
3 reliability of the generation fleet in New York has increased in the last ten years due
4 to operator responses to competition, I am not so sure that this new market based
5 regime was actually beneficial to the ratepayers overall.

6 Q. Are there other policy reasons that support treating municipalities separately?

7 A. Yes. Separate and lower rates for municipalities are also justified on economic
8 development grounds. Imposing such high rates at this point in the Great Recession
9 is potentially very destructive. It is particularly anti-development because of the
10 compounding effect on municipalities. How do we attract business to our
11 communities when the specter of 20% and 40% plus rate increases hang over our
12 heads? How do we attract residents when our communities are facing constitutional
13 limits with possible cuts in services?

14 Q. Do you have any other recommendations?

15 A. Yes. I recognize that the Public Service Commission has a tough job balancing the
16 competing needs of the shareholders and the ratepayers, but if there are to be rate
17 increases, then those increases should be as low as the law permits. If increases are
18 required, then I would ask the Commission to phase those increase in over a multi-
19 year period consistent with the recovery from the recession. Furthermore, the
20 Commission should not allow the shareholders to shift the business risk of a
21 recession to the backs of the ratepayers as may be the case here since one of the

1 reasons indicated for the rate increase is reduced sales, along with a higher cost of
2 capital due to the deterioration in the financial markets. Finally, I note that there
3 were many benefits cited by Iberdrola, SA when it sought the Commission's
4 approval to acquire Energy East, the parent of NYSEG. Iberdrola touted its
5 superior credit rating, its financial strength and the breath of its international
6 operations and best practices. Before any rate increase is granted, it would seem to
7 be most appropriate to ascertain that all of the benefits alleged by Iberdrola actually
8 materialized and whether those benefits are, in fact, reflected in the proposed rates.

9 Q. Does this conclude your testimony?

10 A. Yes, at this time.

EXHIBIT _____ (BJF -1)

BROOME COUNTY'S 2009 GAS AND ELECTRICITY DELIVERY CHARGES

| HDD | Total energy expense (NG and Elect) | | Total Consumption | Total Electrical Expenses | Total Cost/kwh | Transportation Cost | Total | Total | Total | | |
|------------|-------------------------------------|------------|-------------------|---------------------------|----------------|---------------------|--------|-----------|------------|-------------|-----------|
| | NG | Elect | | | | | | | | Consumption | Expenses |
| Jan-09 | 1496.00 | 427709.90 | 1778059.25 | 218323.21 | 0.12 | | Jan-09 | 142345.00 | 209386.69 | 1.47 | |
| Feb-09 | 1092.00 | 405719.35 | 1640634.20 | 207652.91 | 0.13 | | Feb-09 | 133674.60 | 198066.44 | 1.48 | |
| Mar-09 | 928.00 | 397007.50 | 1752097.20 | 223832.83 | 0.13 | | Mar-09 | 114668.30 | 173174.67 | 1.51 | |
| Apr-09 | 550.00 | 293454.40 | 1602209.00 | 204073.97 | 0.13 | | Apr-09 | 66924.90 | 89380.43 | 1.34 | |
| May-09 | 305.00 | 240186.72 | 1514506.60 | 199620.81 | 0.13 | | May-09 | 31665.40 | 40565.91 | 1.28 | |
| Jun-09 | 123.00 | 246216.85 | 1633613.40 | 218228.71 | 0.13 | | Jun-09 | 20786.20 | 27988.14 | 1.35 | |
| Jul-09 | 80.00 | 270760.96 | 1786544.60 | 245674.09 | 0.14 | | Jul-09 | 18358.02 | 25086.87 | 1.37 | |
| Aug-09 | 53.00 | 278826.26 | 1828873.00 | 253689.38 | 0.14 | | Aug-09 | 18371.27 | 25136.88 | 1.37 | |
| Sep-09 | 221.00 | 298071.11 | 1795084.40 | 252766.96 | 0.14 | | Sep-09 | 34687.65 | 45304.16 | 1.31 | |
| Oct-09 | 544.00 | 296472.58 | 1640395.80 | 230492.91 | 0.14 | | Oct-09 | 51543.46 | 65979.67 | 1.28 | |
| Nov-09 | 659.00 | 295082.45 | 1476155.80 | 205716.78 | 0.14 | | Nov-09 | 66997.78 | 89365.67 | 1.33 | |
| Dec-09 | | 319173.30 | 1633040.00 | 217563.13 | 0.13 | | Dec-09 | 103191.49 | 101610.17 | 0.98 | |
| 2009 Total | | 3768681.39 | 20081213.25 | 2677635.69 | 0.13 | 669380.51 | | 803214.08 | 1091045.69 | 1.34 | 272120.86 |

EXHIBIT _____(BJF -2)

COMPUTATION OF AVERAGE SERVICE CATEGORY DELIVERY CHARGE

Impact on Current Delivery Rates

(Based on December 4, 2009 Update of Sept 17, 2009 Filing)

ELECTRIC

| | Monthly kwh | Current | Proposed | % Inc |
|---|----------------|----------|----------|-------|
| SC-1 Residential | 300 | \$26.87 | \$34.05 | 26.7% |
| | 600 | \$39.45 | \$49.11 | 24.6% |
| | 1000 | \$56.22 | \$69.27 | 23.2% |
| SC-2 General Service (Commercial Demand Metered) | | | | |
| | 25kw 14,625 | \$367 | \$443 | 20.7% |
| | 100kw 58,500 | \$1425 | \$1715 | 20.4% |
| SC-6 General Service (Commercial Non-Demand metered) | | | | |
| | 600 | \$42.59 | \$52.32 | 22.8% |
| | 1000 | \$60.66 | \$73.53 | 21.2% |
| | 2000 | \$105.83 | \$126.56 | 19.6% |
| SC-7 Large General Service with Time of Use Metering | | | | |
| | 500kw 292,500 | \$6,474 | \$7,805 | 20.6% |
| | 1500kw 877,500 | \$19,362 | \$23,334 | 20.5% |

GAS

| | Therms | Current | Proposed | % Inc |
|--|--------|----------|------------|-------|
| Annual | | | | |
| SC-1S Residential Heating | 1,044 | \$495.13 | \$674.55 | 36.2% |
| Monthly | | | | |
| SC-5T Small Firm Transportation | 1,000 | \$353.50 | \$432.92 | 41.3% |
| SC-1T Large Firm Transportation | 1,500 | \$762.60 | \$1,089.47 | 41.6% |

EXHIBIT _____ (BJF - 3)

CITY OF BINGHAMTON CONSTITUTIONAL DEBT LIMIT LETTER



THOMAS P. DINAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

STEVEN J. HANCOX
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

November 18, 2009

Matthew Ryan
Mayor
City of Binghamton
38 Hawley Street
Binghamton, NY 13901

Dear Mayor Ryan:

To assist you in developing your fiscal year ending 2010 budget, we have a few observations we would like to share with you. These observations are based upon our review of the City's 2009 constitutional tax limit (CTL) form and adopted budget, and the City's 2008 annual financial report (AUD).

The City's 2009 CTL form indicates that your city had exhausted approximately 83 percent of its tax limit - this is an increase of six percent in 2008. The financial consequences associated with exhausting the City's tax limit warrants extreme caution by everyone involved with the City's 2010 budget. The State Constitution and related statutes require this office to withhold certain state aid payments from a local government if the taxes levied by that local government are in excess of its tax limit. Obviously, this is a situation to be avoided, so your city's tax limit should be monitored very carefully.

By approaching its tax limit, the City has lost flexibility in designing its revenue structure and may not be able to sustain the current level of services provided to its citizens. Even normal cost increases can pose serious budget difficulties if there is no corresponding growth in revenues. Since tax limits are computed based on the full valuation of real property, cities that are experiencing stagnation or a decline in property values are generally at a higher risk of approaching or exceeding their tax limit. Also, changes in appropriations that are excluded from the tax limit will impact the calculation of the city's taxing capacity. Thus, a city can approach or exceed its tax limit even with no change in property tax levies from year to year.

During our review, we noted that the tax levy increase of 15 percent is outpacing the four percent growth in the average full valuation of the city's property over the last four years, causing the percentage of tax limit exhausted to increase 11 percent (72 percent for FYE 2006 to 83 percent for FYE 2009). Further, the general fund has incurred operating deficits for the last four years ending 2008, and the AUD also reported negative cash balances for the last three

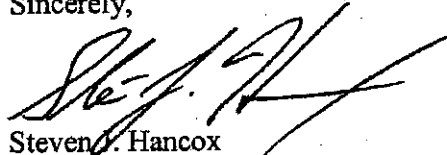
EXHIBIT _____ (BJF-3)

years. Additionally, there is little cushion in the general fund's unreserved fund balance which only represents four percent of annual revenues and expenditures.

Our review of the City's 2009 tax limit form submission noted the following reporting issue in the Schedule of Revenues Designated for Debt Service (Schedule A). The revenue and amounts required for operations for the sewer and parking funds were understated. Correcting these amounts lowered the tax limit from 87 to 83 percent. These reporting issues were communicated to the City Comptroller and the form adjusted accordingly. City officials should ensure the accuracy of the tax limit form, clearly identifying entries made on the form and providing supporting schedules and/or budgetary references where appropriate.

While there is no absolute standard or target for a tax levy as a percent of the Constitutional limit, our experience shows that the City is in a "caution zone." The current proximity of your city to its tax limit warrants close attention by all involved with the budget process. If you have any questions or would like to discuss the tax limit process, please contact Deb DePuccio of our staff (ddepuccio@osc.state.ny.us or 518-486-3143).

Sincerely,



Steven J. Hancox
Deputy Comptroller

cc: John Cox, City Comptroller
Joseph Merrill, City Clerk
Members of Binghamton City Council
Pat Carbone, Chief, Binghamton Regional Office

EXHIBIT _____ (BJF - 4)

VILLAGE OF ENDICOTT CONSTITUTIONAL DEBT LIMIT FORM

VILLAGE CONSTITUTIONAL TAX LIMIT FORM

NYS Office of the State Comptroller
Data Management Unit
110 State Street, 12th Floor
Albany, New York 12239

FOR FISCAL YEAR ENDING: MAY 31, 2010

CHIEF FISCAL OFFICER: Anthony J. Bates
TITLE: CLERK TREASURER
PHONE: (607) 757-5337
E-MAIL: endicottclerk@stny.rr.com

**OSC
USE
ONLY**

**VILLAGE OF
ENDICOTT
030484601580**

Date of Most Recent Assessment Roll: June 27, 2008

5PFVLEV 588,147,198
5PEQLEV 0.0464

A

Most Recent Taxable Assessed Valuation - (On Above Date) 5P4AVFT 27,290,030
Date On Which Village Budget Will Be Adopted: 5P2BUDG April 28, 2009
Is the Village Located in More than One Town? (Yes/No) **NO**
Is the Village Non-Assessing? (Yes/No) **YES**

TAX LIMIT CALCULATION

| ASSESS ROLL DATE | TAX LEVY YEAR | TAXABLE ASSESSED VALUATION (5PTLAV1-5) | STATE EQUALIZATION | | FULL VALUATION OF TAXABLE REAL PROPERTY | |
|--|---------------------|---|-----------------------|-------------|---|----------------------------|
| | | | TOWN RATE | DATE | EDP Code | AMOUNT (Use Whole Dollars) |
| | | | (5PTLEQ1-5) | ESTABLISHED | | |
| 06/27/08 | 2010 | 27,290,030 | 0.0464 | 07/21/08 | 5PTLFV | 588,147,198 |
| 2008 | 2009 | 20,456,343 | 0.0500 | | 5PTLFV | 409,126,860 |
| 2007 | 2008 | 20,468,885 | 0.0562 | | 5PTLFV | 364,215,036 |
| 2006 | 2007 | 20,526,208 | 0.0594 | | 5PTLFV | 345,559,057 |
| 2005 | 2006 | 20,672,769 | 0.0625 | | 5PTLFV | 330,764,304 |
| 2004 | 2005 | 20,689,873 | 0.0658 | | 5PTLFV | 314,435,760 |
| FIVE-YEAR TOTAL FULL VALUATION: | | | | | 5P10TFV | 2,037,812,455 |
| FIVE-YEAR AVERAGE FULL VALUATION: | | | | | 5P11AFV | 407,562,491 |
| CONSTITUTIONAL TAX LIMIT: (2% of 5P11AFV) | | | | | 5P12CTL | 8,151,250 |
| TAX LEVY - General Village Purposes | | | | | 5P150 | 8,558,269 |
| Less: TOTAL EXCLUSIONS (From Exclusions Page) | | | | | 5P13EXC | 1,855,463 |
| TAX LEVY SUBJECT TO TAX LIMIT | | | | | 5P14CHG | 6,692,806 |
| PERCENTAGE OF TAX LIMIT EXHAUSTED | | | | | 5P15EXH | 82.11% |
| CONSTITUTIONAL TAX MARGIN | | | | | 5P16MRG | 1,458,444 |
| VILLAGE TAX RATE (Per \$1000 A.V.) | | | | | 5P3AVTR | 313.60 |