

2020 TENTATIVE BUDGET

(WITH MULTIYEAR & CAPITAL PLAN)

Delivering Critical Services *with* Fiscal Responsibility

David VanLuven, Town Supervisor

Michael Cohen, Comptroller

Theresa Amodeo, Chief Accountant



September 25, 2019

2019 BUDGET SCHEDULE (FOR 2020 BUDGET)

Town Board Meetings & Workshops
Unless otherwise noted all meetings begin at 6:00 pm
Town Board Meetings will be Webcast & Archived

- **Workshop/Program Discussion** ✓ August 26 – 4pm (workshop)
- **Capital Plan** ✓ September 11 Town Board
- **Tentative Budget Presentation** September 25 Town Board
- **Continuing Budget Discussion** October 10 Town Board
- **Public Hearing/Preliminary Budget** October 23 Town Board
- **Final Budget Adoption** November 13 Town Board

**“2020 Town Budget”
link on the Town website
provides comprehensive information
and is regularly updated**



2020 BUDGET HEADLINES

\$45.0 MILLION +\$2.0 MILLION ↑4.6%



- Annual average spending growth since 2014 is 2.0%
- County Paramedic Services increasing **13.89%**
- Debt for Clapper Road Water Plant increasing \$766K
 - **2.1% of overall increase is due to County Paramedic and Clapper Road Capital Investment increases**
- 2020 tax rate change is 2.5%; tax levy up \$532K
- Projected increase for average home (\$260,000) is \$24.68 (\$9.11 for County Paramedic alone)
- Just 12% of your total property tax bill goes towards Town services
- Below property tax cap since its inception (8th year); continuing to save residents in excess of \$1 million annually



2020 BUDGET HEADLINES

\$45.0 MILLION +\$2.0 MILLION ↑4.6%



- Project sales taxes up \$392K based on positive 2019; mortgage taxes projected down \$20K
- **Almost half of the annual growth relates to wages and benefits** (\$590K), relating in part to a 2% COLA and performance steps
- Only 4 more years until the expiration of the 20 year Albany Water Contract
- Multiyear budget projection supports \$54.5 million Capital Plan including major water & sewer upgrades, sidewalks, and public safety improvements



PROVIDING FISCAL RESPONSIBILITY

- S&P stated: “Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology” & “Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2017”

- Bond Rating: **“AA+” BEST CREDIT RATING IN COUNTY**



- Adhere to provisions within Fund Balance policy
- Multiyear budget projections/planning
- Comprehensive multiyear capital plan
- Do not use one-time resources to support ongoing expenses



2020 Budget Spending

	Adopted Budget (x000)						Tentative Budget	2014 - 2020 Change	
	2014	2015	2016	2017	2018	2019	2020	\$	%
General Fund	17,994	17,813	18,123	18,559	19,408	20,067	20,660	2,666	15.1%
Highway Fund	6,391	6,726	6,742	6,845	6,773	6,994	7,178	787	11.7%
Water Fund	9,550	9,491	9,608	9,947	9,935	10,191	11,404	1,854	20.1%
Sewer Fund	4,432	4,527	4,357	4,469	4,418	4,558	4,420	-12	-0.3%
Ambulance Fund	<u>1,215</u>	<u>1,110</u>	<u>1,175</u>	<u>1,184</u>	<u>1,211</u>	<u>1,248</u>	<u>1,364</u>	149	<u>12.0%</u>
Total	39,583	39,667	40,004	41,003	41,745	43,059	45,027	5,444	13.8%
Year over Year Change	1.2%	0.2%	0.9%	2.5%	1.8%	3.1%	4.6%		
Annual CPI Increase	1.6%	0.1%	1.3%	2.1%	2.4%	1.5%*			

*Thru Aug 2019

Overall average spending increase from 2014 of just 2.0% per year

2020 Budget Compared to 2019

	Budget 2019	Budget 2020	Change	% Change
Revenues				
Real Property Taxes & PILOTS	\$14,473,629	\$15,005,718	\$532,089	3.7%
Sales and Use Tax	11,939,465	12,331,069	391,604	3.3%
Mortgage Taxes	985,000	965,000	-20,000	-2.0%
Interfund Transfers - Revenue	475,000	492,000	17,000	3.6%
Metered Water Charges	7,552,195	7,665,477	113,282	1.5%
Sewer Charges	2,956,100	2,994,529	38,429	1.3%
Charges for Services	1,892,710	1,878,306	-14,404	-0.8%
Use of Fund Balance	-	766,389	766,389	100.0%
Other Revenue	<u>2,784,859</u>	<u>2,928,532</u>	<u>143,673</u>	5.2%
Total Revenues and Other Sources	<u>\$43,058,958</u>	<u>\$45,027,020</u>	<u>\$1,968,062</u>	4.6%
Expenditures				
Wages & OT	\$17,112,722	\$17,448,356	\$335,634	2.0%
Fringe & Payroll Taxes	7,706,255	7,961,531	255,276	3.3%
Retiree Health Insurance	839,395	991,011	151,616	18.1%
Equipment & Other Capital	1,906,160	1,709,500	-196,660	-10.3%
Paving	782,000	684,000	-98,000	-12.5%
Contractual Costs	3,411,311	3,448,934	37,623	1.1%
Interfund Transfers	460,000	480,000	20,000	4.3%
Debt Service (Principal and Interest)	2,412,016	3,271,350	859,334	35.6%
Delmar Bethlehem EMS	188,559	157,875	-30,684	-16.3%
Albany County Paramedic	1,059,248	1,206,356	147,108	13.9%
Other Appropriations	<u>7,181,292</u>	<u>7,668,107</u>	<u>486,815</u>	6.8%
Total Expenditures and Other Uses	<u>\$43,058,958</u>	<u>\$45,027,020</u>	<u>\$1,968,062</u>	4.6%



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Revenue

1. Charges for Services:

Tax Collector, Inspections, Police Fees, Engineering, Senior Services, Parks Programs, TDE Fees, Water and Sewer Admin Processing Fees, Taps & Meter Charges and Interest & Penalties

2. Other Revenue

State & Federal Aid, Fines & Forfeitures, Cable, Refuse, Interest Income, Rental Income, Insurance Recoveries and Other



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Expenditures

1. Contractual Costs:
Albany Water Contract, Maintenance Contracts and Other Contract Services
2. Other Appropriations
All Other Supplies, Chemicals, Electricity, Engineers, Equipment Repair, Vehicle Maintenance, Fuel, Property Repairs, Road Materials, Salt and External Tax Payments



TOWN SERVICES

“The Town doesn’t deliver services, PEOPLE deliver services.”

- Emergency services including (Policing, 9-1-1 and Ambulance)
- Licensing
- Engineering
- Planning & Inspection
- Assessing
- Parks & Senior Programs
- Maint. of Parks, Sidewalk & Roads
- Provision of Water
- Collection of Sewer

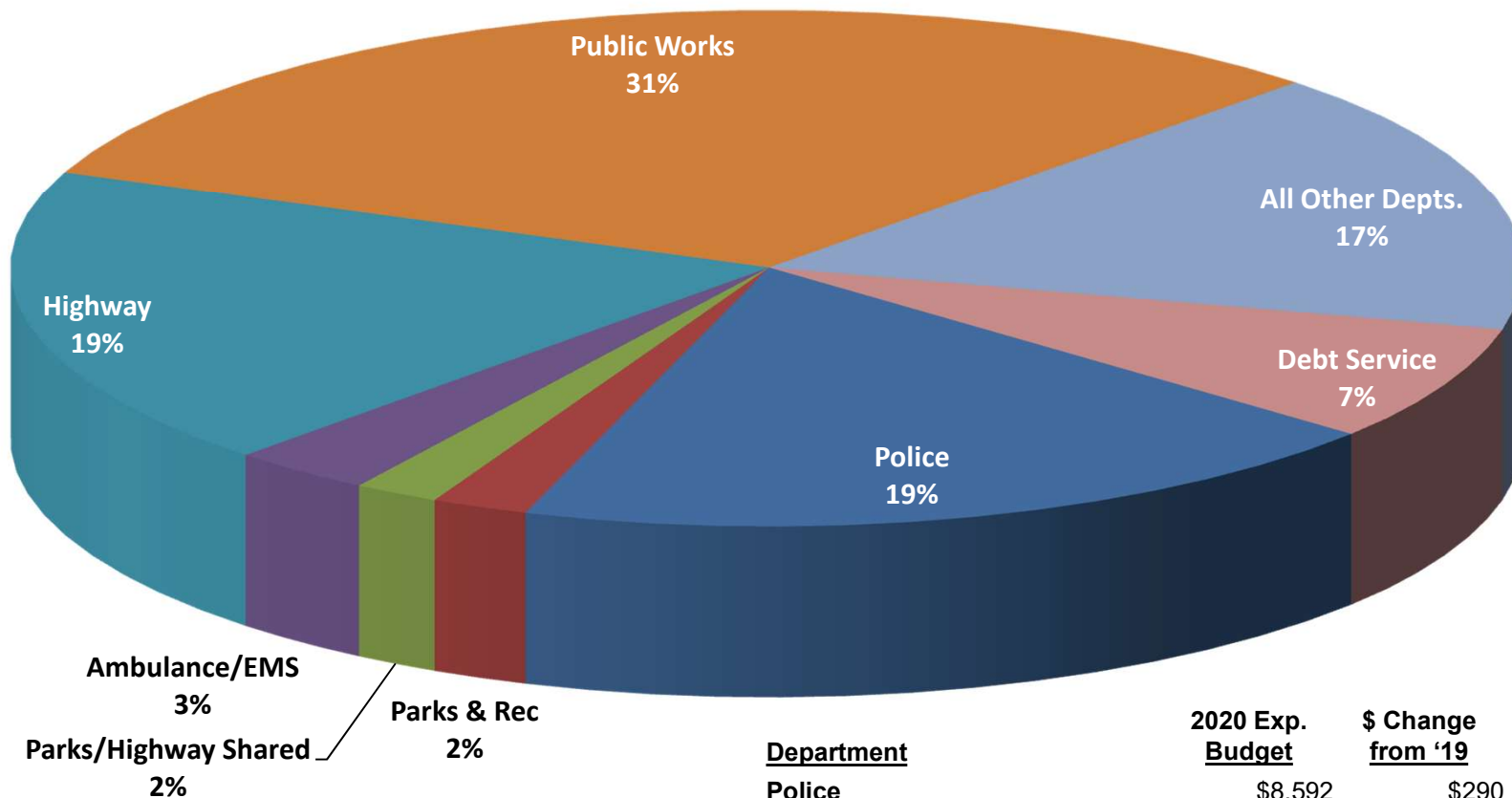
Year	General	Police	CPI
2013	0.0%	0.0%	1.5%
2014	2.0%	2.0%	1.6%
2015	2.0%	2.0%	0.1%
2016	2.0%	2.0%	1.3%
2017	2.0%	2.0%	2.1%
2018	2.0%	2.0%	2.4%
2019	2.0%	2.0%	1.5%
2020	2.0%	2.0%	1.9%*
3 Year Avg.*	2.0%	2.0%	2.0%
7 Year Avg.*	1.7%	1.7%	1.5%

This budget provides for a fair cost of living adjustment (COLA) for the employees who serve our community

* The averages do not include 2020; 2019 is thru Aug.



2020 BUDGET BY DEPARTMENT



Department	2020 Exp. Budget	\$ Change from '19	% Diff
Police	\$8,592	\$290	3.5%
Parks & Rec	\$929	\$45	5.1%
Parks/Highway Shared	\$817	-\$48	-5.6%
Highway	\$8,529	\$257	3.1%
Public Works	\$14,031	\$296	2.2%
All Other Depts.	\$7,490	\$150	2.0%
Debt Service	\$3,271	\$859	35.6%
Ambulance/EMS	\$1,364	\$116	9.3%
Total	\$45,027	\$1,968	4.6%



Staffing

			Full Time Personnel Counts										
			Final Check Run of the Year						Actual 2019 Thru Aug 30	Budget 2018	Budget 2019	Budget 2020	Change in 2019 to 2020 Budget
Fund	Dept Code	Department Name	Actual 2008	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018					
110	1110	Justice	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
110	1220	Supervisor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
110	1315	Comptroller	3.0	4.0	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	-
110	1330	Tax Collection	2.0	1.0	-	-	-	-	1.0	-	-	1.0	1.0
110	1355	Assessment	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	1410	Town Clerk/Tax Collection	3.0	3.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	3.0	(1.0)
110	1430	Human Resources	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
110	1620	Shared Services	4.0	4.7	4.8	4.6	4.6	4.7	5.0	4.8	4.8	5.0	0.3
110	1680	MIS	3.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	-
110	1685	GIS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
110	3110	Telecommunications	14.0	10.0	10.0	10.0	9.0	11.0	11.0	11.0	11.0	11.0	-
110	3120	Police - Sworn	41.0	37.0	36.0	41.0	40.0	38.0	40.0	40.0	40.0	40.0	-
110	3120	Police - Civilian	3.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	-
110	3130	Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
110	3620	Building	7.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	-
110	5010-60	Highway (General Fund)	7.5	7.1	8.1	8.1	7.4	8.7	11.0	8.5	8.5	9.5	1.0
110	6772	Seniors	6.0	6.0	7.0	6.0	6.0	6.0	7.0	6.0	7.0	7.0	-
110	7110/7120	Parks	10.0	4.0	5.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	-
110	7145	Parks & Rec/Highway Maint	-	5.0	5.0	4.0	5.0	4.7	5.4	5.0	5.0	5.0	-
110	8020	Planning	6.0	5.5	5.5	5.5	4.5	5.5	5.5	5.5	5.5	5.5	-
110	8590/8595	DPW Admin	5.3	4.7	5.1	5.2	4.7	4.7	5.7	4.7	5.7	5.7	-
210	5010/5011	Highway Fund	57.0	48.4	45.4	41.8	46.2	45.6	42.1	46.7	46.7	46.3	(0.4)
220	8510-40	Water Fund	34.1	30.1	30.8	31.9	30.3	28.8	30.0	30.4	30.4	30.0	(0.4)
230	8510-55	Sewer Fund	21.1	17.0	16.8	17.4	17.9	17.8	17.8	18.0	18.0	17.5	(0.5)
Grand			241.0	213.0	213.0	211.0	212.0	213.0	217.0	218.0	220.0	220.0	(0.0)



INVESTING IN BETHLEHEM

2020-2024 Capital Plan totaling \$54.5M over 5 years

- \$2.1M included in 2020 Operating Budget (\$0.3M offset by grant revenues)
- \$18.7M in total spending in 2020 including \$5.8M in grant spending
- \$28.3M for Water and Sewer (52% of total plan) including:
 - \$5.8M expected remaining cost for Clapper Road Water Treatment Plant – No new costs
 - \$9.25M in infrastructure upgrade projects
 - \$3M in Water Main and Looping
 - \$5M in pump station projects
 - \$1.25M in sewer lining and rehab



2019 DEBT ISSUANCE



New

\$17,227,100

**30 year Debt Issuance
sold on May 14 to fund:**

- Pool Gutter Replacement: \$893K
(General Fund = \$45K/yr)
- 9W Roundabout: \$969K
(Highway Fund = \$49K/yr)
- Clapper Road WTP Upgrades: \$15.3M
(Water Fund = \$774K/yr)*

Paying @ 2.945% (NIC)

* Serial Bond debt service varies slightly on an annual basis. 2020 debt service is \$766K



CLAPPER ROAD DEBT SERVICE

Due to the maturity of the original debt, the expiration of the contract with Albany, and our 20% contingency fund balance, it is our intention to avoid asking Town residents to provide additional funding for new debt service by borrowing from our own reserves.

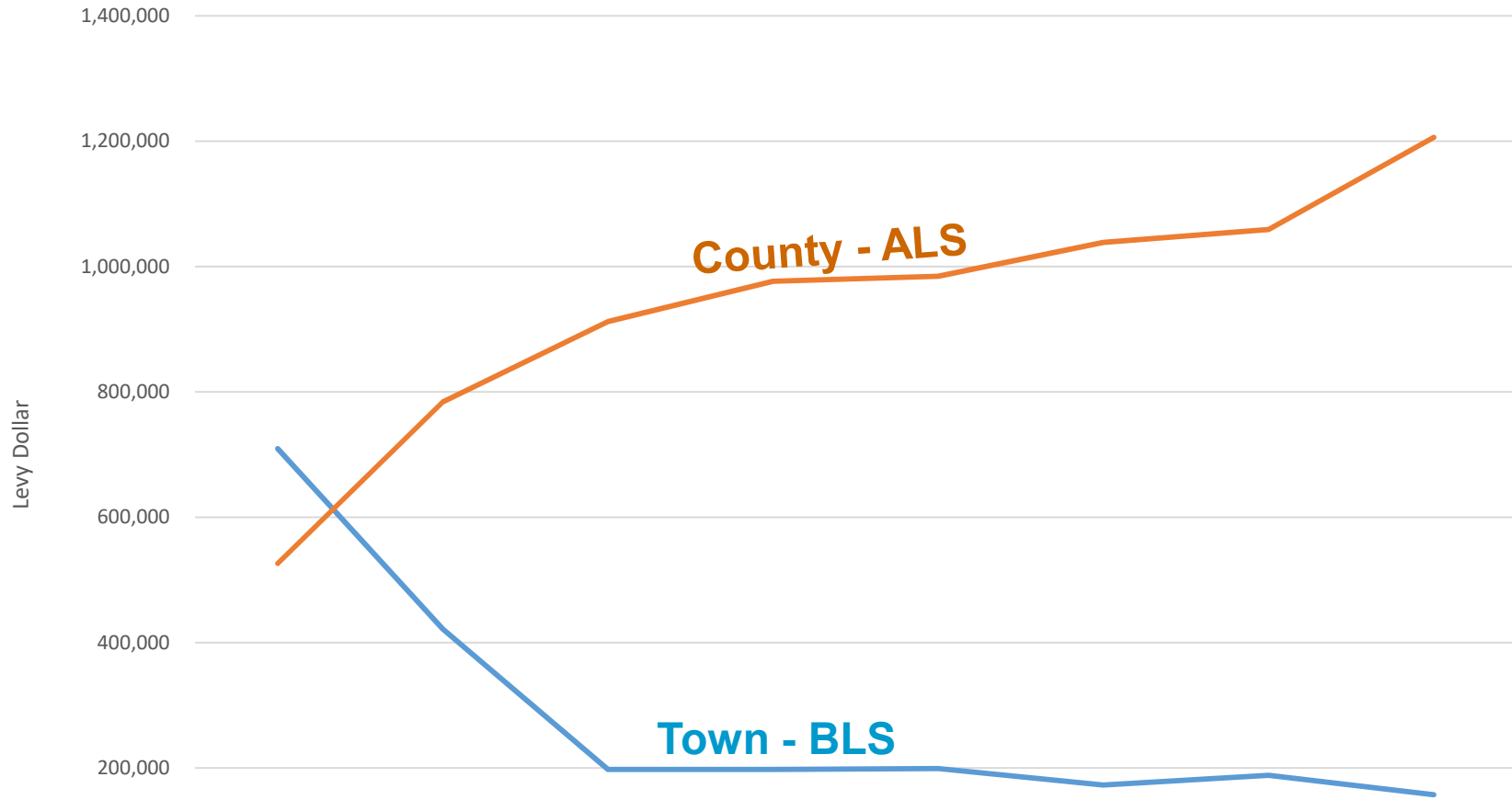
Plan to Pay for Debt Service on Clapper Road

Contingency Fund Balance at 12/31/19 ¹	2,038,282	20.0% ^{2,3}
Debt Service - Year One (2020)	<u>(766,388)</u>	
Contingency Fund Balance at 12/31/2020	1,271,894	11.2% ^{2,3}
Debt Service - Year Two (2021)	<u>(768,040)</u>	
Contingency Fund Balance at 12/31/2021	523,720	4.5% ^{2,3}
Debt Service - Year Three (2022)	<u>(774,417)</u>	
Contingency Fund Balance at 12/31/2022	(44,567)	-0.4% ^{2,3}
Debt Service - Year Four (2023)	(771,697)	
Previous Budget for Original Debt	<u>900,000</u>	
Contingency Fund Balance at 12/31/2023	83,736	0.7% ^{2,3}
Debt Service - Year Five (2024)	(768,887)	
Previous Budget for Original Debt	900,000	
Albany Water Contract - 75%	<u>1,500,000</u>	
Contingency Fund Balance at 12/31/2024	1,714,849	14.2% ^{2,3}



¹ Projected - ² Against 2019 Budget - ³ Water Fund Contingency Fund Balance

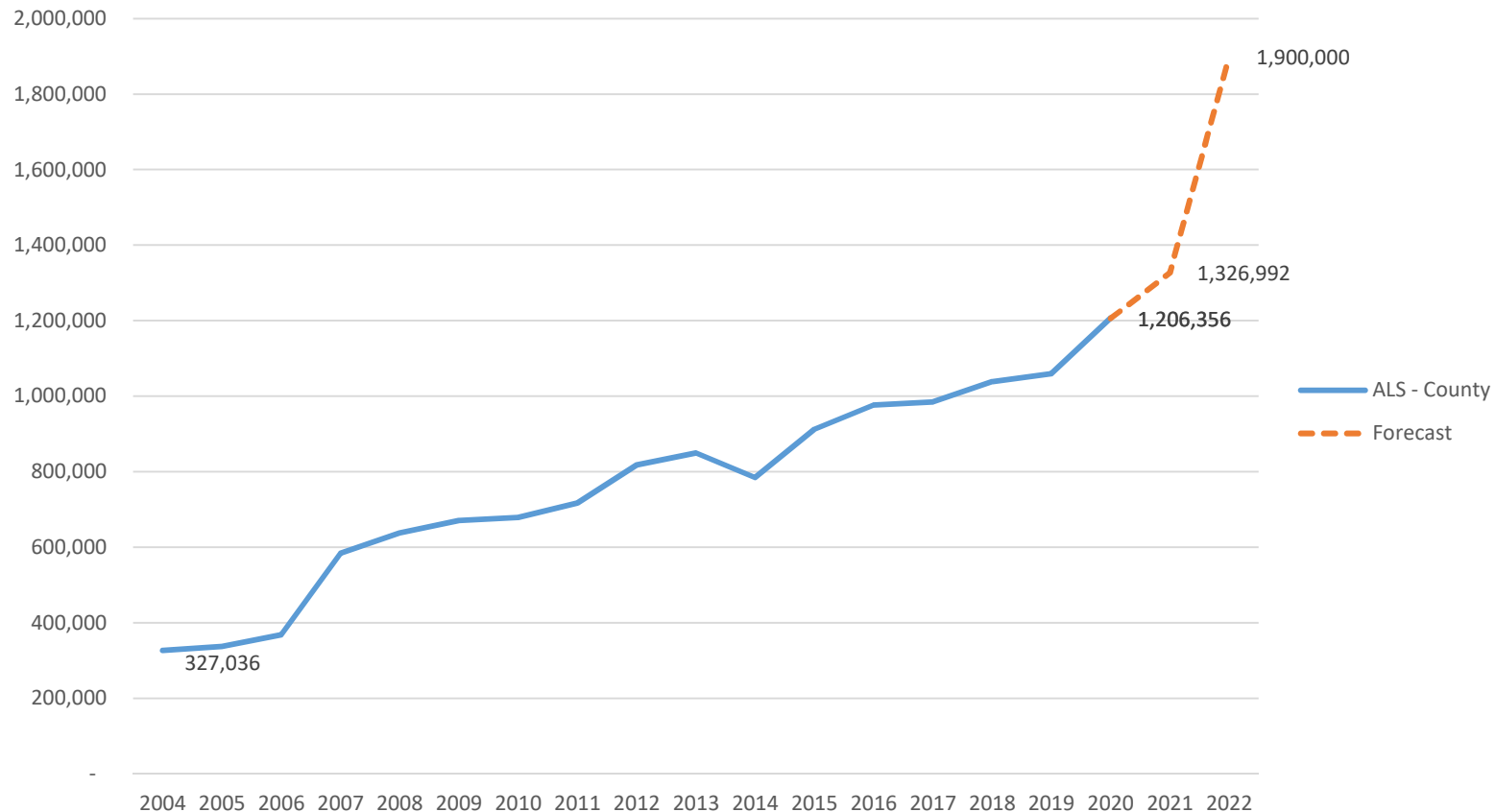
Emergency Medical Service Property Tax Levy 2013 through 2020



	2013	2014	2015	2016	2017	2018	2019	2020
BLS - Town	709,380	421,416	197,500	197,500	199,000	172,422	187,991	157,297
ALS - County	526,301	784,261	912,053	976,564	984,339	1,038,478	1,059,248	1,206,356



County Paramedic Service Property Tax Levy 2004 to 2022 actual & projected

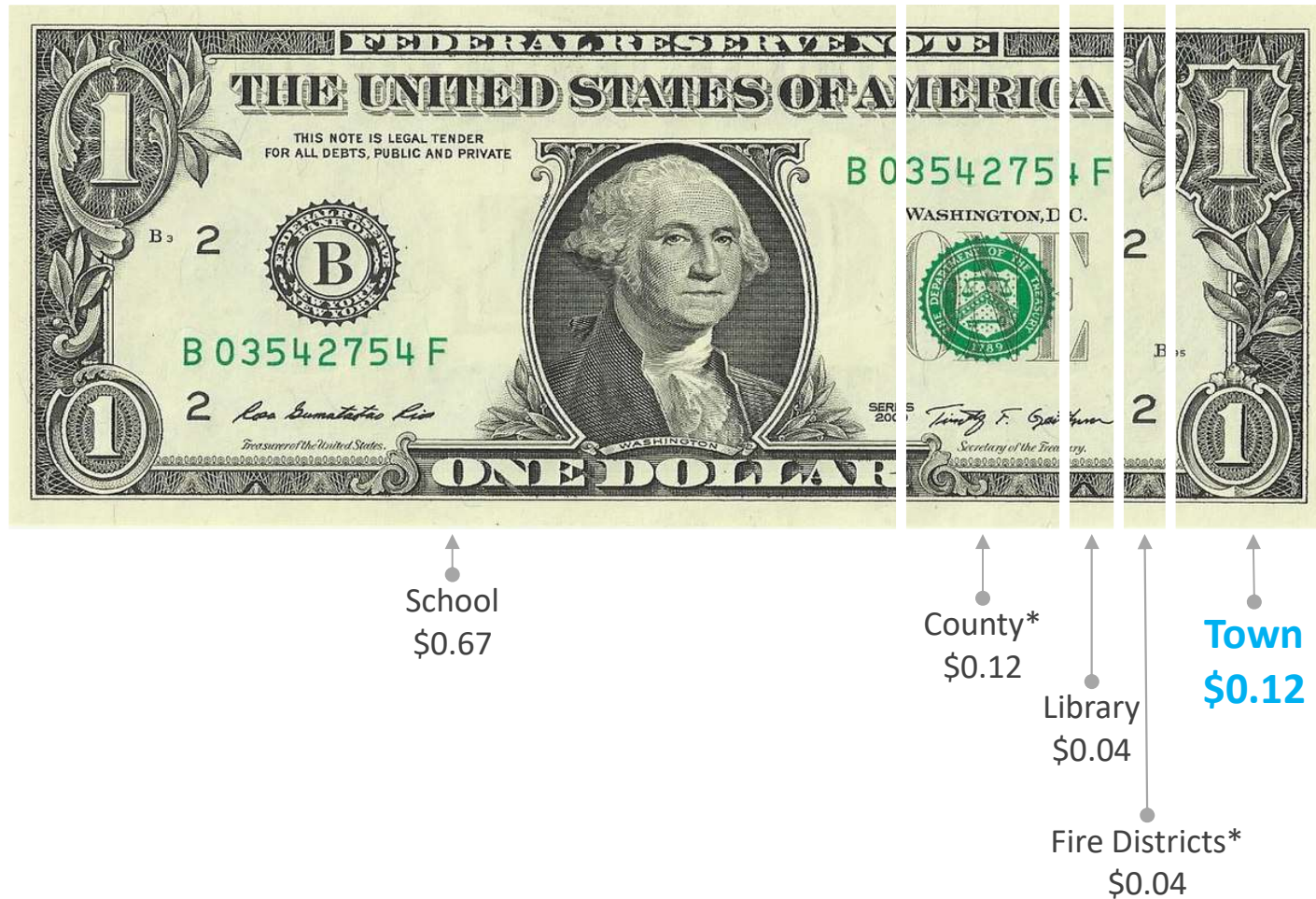


- In 2004, the Town paid \$327K for County paramedics. Since that time, the increase annually has averaged 9.0%; with forecasted levels, the increase jumps to 11.8%
- Since the tax cap was implemented by NYS in 2012, the County has averaged increases of 5.3% annually; with forecasted levels, the increase jumps to 10.9%



TAXPAYER IMPACT

COST PER DOLLAR OF ASSESSMENT

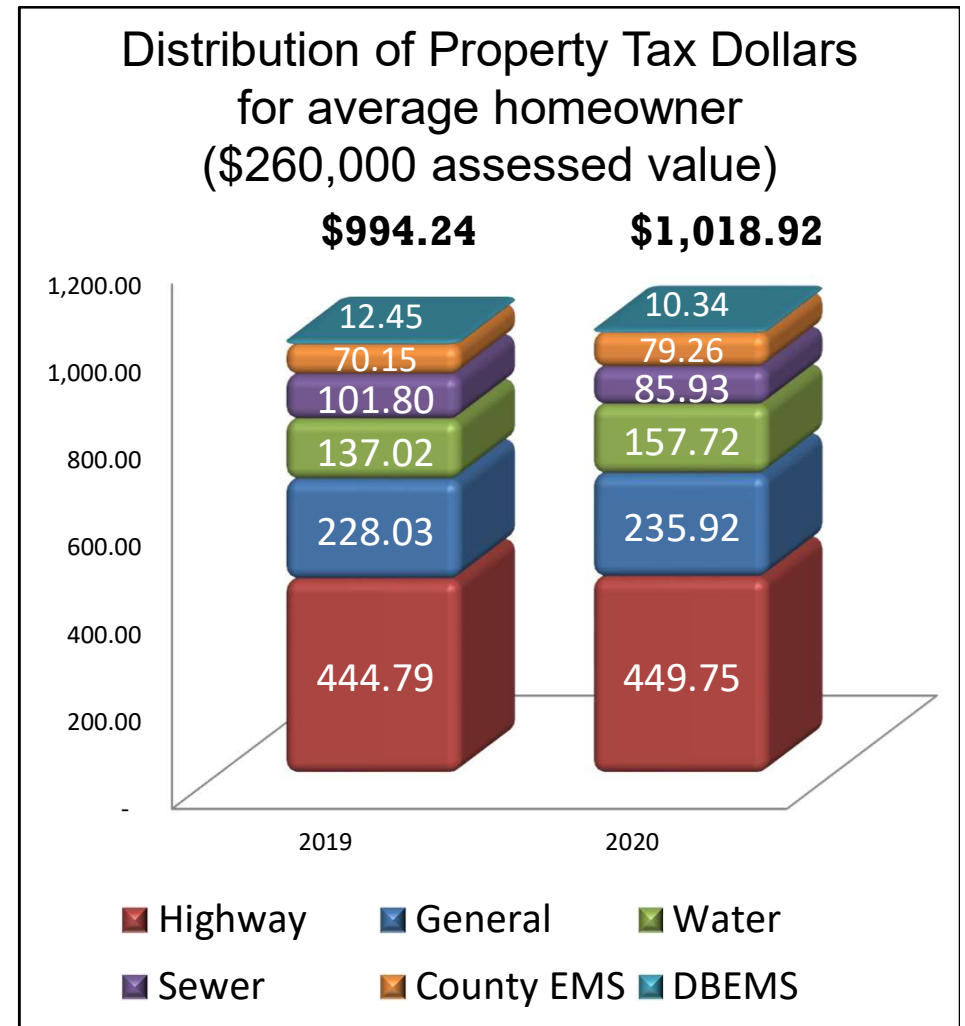


* Due to timing, the weighted fire districts and County tax rates for 2020 were projected based on historical data.



TAXPAYER IMPACT

- Tax cap is at 2.0% for only 2nd time since 2013
 - Cap also allows for an additional 1.57% and 0.11% levy increases in 2020 for town growth and carryover
 - Under tax cap since inception
- Tax Rate: + 2.48%
- **About \$24.68 increase on average home (\$260K assessed value)**
 - For homes located in all taxing districts



Property Tax Levies and Rates

HOW DOES 2.00% + 1.57% + 0.11% = 2.48%?

District	2019		2020		Change in Levy		Change in Rate	
	Property Tax Levy	Tax Rate	Property Tax Levy	Tax Rate				
General Fund	3,241,911	0.87704	3,395,963	0.90740	154,052	4.75%	0.030	3.46%
Highway	6,323,609	1.71074	6,473,817	1.72979	150,208	2.38%	0.019	1.11%
Water District	2,006,415	0.52700	2,329,788	0.60663	323,373	16.12%	0.080	15.11%
Sewer District	1,300,000	0.39153	1,106,518	0.33049	(193,482)	-14.88%	(0.061)	-15.59%
Albany County EMS	1,059,248	0.26979	1,206,356	0.30484	147,108	13.89%	0.035	12.99%
DBEMS	187,991	0.04788	157,297	0.03975	(30,694)	-16.33%	(0.008)	-16.98%
PILOTs	341,455		326,979		(14,476)	-4.24%	N/A	N/A
Vista Lighting District	13,000		9,000		(4,000)	-30.77%	N/A	N/A
	14,473,629		15,005,718		532,089	3.68%		
		3.8240		3.9189			0.095	2.48%

Tax Levy – Total amount received by the Town

Tax Rate – Percentage of property value paid by taxpayers



Below Tax Cap, Again



Having not maximized the tax levy under the tax cap, residents have saved **\$10.1M** in property taxes since inception

Year	Tax Cap %	Growth Factor	Pension Exclusion	Maximum Levy Increase	Tax Levy Change	Tax Rate Change (Average)
2013	2.00%	0.57%	0.40%	19.09%	-3.38%	7.45%
2014	1.66%	0.47%	0.00%	3.74%	1.13%	2.98%
2015	1.56%	0.75%	0.00%	4.33%	1.79%	-4.73%
2016	0.73%	0.20%	0.00%	2.41%	0.52%	-0.29%
2017	0.68%	0.85%	0.00%	2.93%	2.84%	1.74%
2018	1.84%	1.01%	0.00%	3.18%	2.88%	3.11%
2019	2.00%	1.03%	0.00%	2.96%	2.96%	1.58%
2020	2.00%	1.57%	0.00%	4.02%	3.68%	2.48%



LONG TERM FINANCIAL VIEW

MULTIYEAR PLANNING



Benefits

- Assists in balancing the budget responsibly in future years
- Prepares for, and helps to prevent, revenue or service shocks
 - Avoid pushing problems into future years
 - Selkirk Cogen PILOT
- Important tool for maintaining a healthy NYS Fiscal Stress score
- S&P Global Ratings has identified this as one reason for the Town's AA+ bond rating, resulting in lower borrowing rates

**Only community in the Capital Region that
prepares a multiyear plan**

LONG TERM FINANCIAL VIEW

MULTIYEAR PLANNING

- Projection shows deficits of (\$336K) and (\$529K) in 2021 & 2022, respectively
- Currently projecting below 15% fund balance for combined funds in 2021 & 2022
 - Clapper Road Project Debt Service Cost (using \$1.5M of fund balance in Water Fund)
- Primary Contributors to Projected 2021 and 2022 Results:
 - County Paramedics projected costs; related deficits projected (\$60K) and (\$570K)
 - Capital related expenditures funded through operations

	2021 Projection	2022 Projection
General Fund	(\$115,392)	(\$296,127)
Highway Fund	\$174,966	\$123,405
Water Fund	\$19,867	\$206,130
Sewer Fund	(\$354,856)	\$7,928
Ambulance Fund - DBEMS	\$0	\$0
Ambulance Fund - County	<u>(\$60,318)</u>	<u>(\$569,993)</u>
Surplus/(Use of Fund Balance)	(\$335,733)	(\$528,657)
Fund Balance Percentage*	14.1%	11.1%



KEY MESSAGES

- Under tax cap AGAIN
- 2020 tax rate change = 2.48%
Avg. homeowner up just \$24.68
- Majority of growth in 2020 comes from wages and benefits, Clapper Road Debt, and County paramedics
- Only 12% of your property tax dollars go to the Town
- Fewer staff providing same level of service

Town staffing down from 241 in 2008 to 220 in 2019



The Town doesn't deliver services, people do