

2023 PRELIMINARY BUDGET

Fiscal Responsibility amid Fiscal Uncertainty

David VanLuven, Town Supervisor

Michael Cohen, Comptroller

Theresa Ungerer, Chief Accountant

October 26, 2022

2022 BUDGET SCHEDULE (FOR 2023 BUDGET)

Town Board Meetings

Unless otherwise noted all meetings begin at 6:00 pm

Town Board Meetings will be Webcast & Archived

- **Capital Plan** ✓ September 14 - Town Board
- **Tentative Budget Presentation** ✓ September 28 - Town Board
- **Continuing Budget Discussion*** ✓ October 12 - Town Board
- **Public Hearing & Preliminary Budget** October 26 - Town Board
- **Final Budget Adoption** November 9 - Town Board

**“2023 Town Budget” link on the Town website
provides comprehensive information
and is regularly updated**

*** If necessary**

2023 BUDGET HEADLINES

\$48.3 MILLION +\$1.5 MILLION ↑3.1%



- Tax rate increase is projected to be 1.8%
- Projected increase for Town Funds on average homeowner (\$261,000 assessed value) is \$19.10
- Below property tax cap since its inception in 2012
- Average annual budget increases since 2016 below average annual CPI increases since 2016
- Town services account for only \$0.12 of every property tax dollar paid
- Almost exactly 50% of the annual budget to budget change is a result of the increased costs to vehicle fuel and electricity
- This budget represents an increase in staffing from 219 to 224
- Significant sales tax revenue increases tempered by expected decreases in prices and consumer spending

2023 Budget Compared to 2022

	Budget 2022	Budget 2023	Change	% Change
Revenues				
Real Property Taxes & PILOTS	15,951,349	16,382,554	431,205	2.7%
Sales and Use Tax	13,234,503	14,520,107	1,285,604	9.7%
Mortgage Taxes	1,200,000	975,000	(225,000)	-18.8%
Interfund Transfers - Revenue	522,337	548,111	25,774	4.9%
Metered Water Charges	7,856,730	7,901,620	44,890	0.6%
Sewer Charges	2,958,000	2,902,000	(56,000)	-1.9%
Charges for Services	1,922,115	2,076,400	154,285	8.0%
Use of Fund Balance	774,417	0	(774,417)	-100.0%
Other Revenue	<u>2,449,902</u>	<u>3,037,563</u>	<u>587,661</u>	24.0%
Total Revenues and Other Sources	<u>46,869,353</u>	<u>48,343,355</u>	<u>1,474,002</u>	3.1%
Expenditures				
Wages & OT	18,185,412	19,081,544	896,132	4.9%
Fringe & Payroll Taxes	8,312,592	8,444,523	131,931	1.6%
Retiree Health Insurance	1,097,492	1,248,898	151,406	13.8%
Equipment & Other Capital	1,661,734	1,557,810	(103,924)	-6.3%
Paving	924,813	996,895	72,082	7.8%
Contractual Costs	3,729,926	4,073,403	343,477	9.2%
Debt Service (Principal and Interest)	3,291,058	2,386,549	(904,509)	-27.5%
Delmar Bethlehem EMS	170,517	188,509	17,992	10.6%
Albany County Paramedic	1,246,285	1,294,801	48,516	3.9%
Other Appropriations	<u>8,249,524</u>	<u>9,070,423</u>	<u>820,899</u>	10.0%
Total Expenditures and Other Uses	<u>46,869,353</u>	<u>48,343,355</u>	<u>1,474,002</u>	3.1%

Sales Tax Projection – 2023 Budget

	Town of Bethlehem	Albany County	TOB Est. vs. County Est.	City of Albany	TOB Est. vs. Albany Est.	Town of Guilderland	TOB Est. vs. Guilderland Est.	Town of Colonie	TOB Est. vs. Colonie Est.
2023 Tentative Sales Tax Budget	14,520,107	326,050,000		46,951,000		13,600,000		31,684,098	
% Increase from PY Budget	9.70%	10.33%		22.19%		1.50%		12.83%	
Comparisons of Estimates Allocated based on Revenue Sharing Calculation									
Town of Bethlehem	14,520,107	14,515,746	4,361	16,584,089	(2,063,982)	12,937,436	1,582,671	12,974,393	1,545,714
Albany County*	326,147,956	326,050,000	97,956	372,508,727	(46,360,771)	290,598,291	35,549,665	291,428,422	34,719,534
City of Albany	41,107,688	41,095,342	12,346	46,951,000	(5,843,312)	36,627,009	4,480,680	36,731,638	4,376,050
Town of Guilderland	15,263,724	15,259,140	4,584	17,433,408	(2,169,684)	13,600,000	1,663,724	13,638,850	1,624,874
Town of Colonie	35,458,806	35,448,156	10,650	40,499,149	(5,040,343)	31,593,846	3,864,960	31,684,098	3,774,708

*Albany County's revenue budget is total County Sales Taxes, undistributed.

INVESTING IN BETHLEHEM

2023-2027 Capital Plan currently totals \$54.6M over 5 years

- 2023 (Year 1 of the plan) anticipates spending of \$19.0M
- \$2.6M included in 2023 Operating Budget with \$700K directly offset by grant revenues
- Additional \$34.5M of possible future spending identified as TBD (To Be Determined)
- Identified \$22.7M in the top 5 largest projects including:
 - Delaware Avenue Complete Streets (including grant funding)
 - Large Fleet Purchases
 - Annual Paving Program (including grant funding)
 - Sewer Pump Station Replacement/Rehabilitation
 - Water Clarifier Rehabilitation



LONG TERM FINANCIAL VIEW

MULTIYEAR PLANNING

- Projection shows deficits of (\$1.3M) and (\$1.4M) in 2024 & 2025, respectively
- 2024 fund balance percentage is still 0.4% above 15%, the level that the Town designated in its fund balance policy as appropriate, but 2025 drops to 12.7%.
 - Majority of increases are in debt service costs, which are projected based on the capital plan, to rise \$939K in 2024 and another \$316K in 2025.
 - Savings from Albany Water Contract is currently projected to be spent through the equipment lines on infrastructure and other delayed projects.

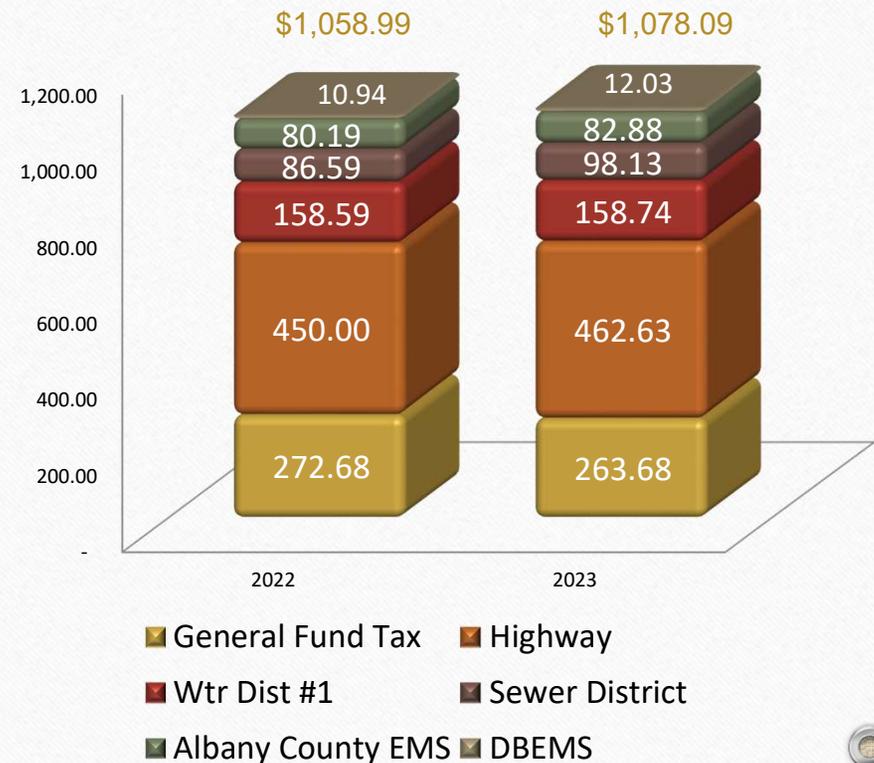
	<u>Unassigned/Contingency Fund Balance</u>	
	<u>2024 Projection</u>	<u>2025 Projection</u>
General Fund	(\$180,335)	(\$164,149)
Highway Fund	(\$111,961)	(\$254,507)
Water Fund	(\$360,785)	(\$458,860)
Sewer Fund	(\$599,874)	(\$535,764)
Ambulance Fund - DBEMS	\$0	\$0
Ambulance Fund - County	<u>\$0</u>	<u>\$0</u>
Surplus/(Deficit)	(\$1,252,955)	(\$1,413,280)
Fund Balance Percentage	15.4%	12.7%

TAXPAYER IMPACT

Cost per dollar of assessment

- State Levy Growth Factor is at 2.0% for only 4th time since 2013 (CPI=6.5%)
 - Cap also allows for an additional 0.79% for town growth
 - Under tax cap since inception
- Tax Rate: + 1.80%
- **About \$19.10 increase on average home (\$261K assessed value)**
 - For a home located in all taxing districts

Distribution of Property Tax Dollars for Average Homeowner (\$261,000 Assessed Value)



TAXPAYER IMPACT

Where your tax dollar goes



↑
School
\$0.67

↑
County*
\$0.12

↑
Library
\$0.04

↑
Fire Districts
\$0.04

↑
Town
\$0.13



* Due to timing, the County tax rates for 2023 were projected based on historical data.