

2024 PRELIMINARY BUDGET

AVOIDING OBSTACLES

David VanLuven, Town Supervisor

Michael Cohen, Comptroller

Theresa Ungerer, Chief Accountant

October 25, 2023

2024 Budget Schedule

Town Board Meetings & Workshops

Unless otherwise noted all meetings begin at 6:00 pm

Town Board Meetings will be Webcast & Archived

- **Capital Plan** September 13 Town Board
- **Tentative Budget Presentation** September 27 Town Board
- **Continuing Budget Discussion** October 11 Town Board
- **Public Hearing/Preliminary Budget** October 25 Town Board
- **Final Budget Adoption** November 8 Town Board

**“2024 Town Budget”
link on the Town website
provides comprehensive information
and is regularly updated**

2024 BUDGET HEADLINES

\$50.4 MILLION +\$2.0 MILLION ↑4.2%



- Albany County Ambulance increase \$454,000
- Retirement System projection from state shows increase of \$602,429 from 2023 expense
- Albany Water “Take or Pay” Contract has expired
- Greater investment in annual budget for recurring infrastructure
- Budget includes 2.5% COLAs as well as performance based steps for Town Employees.
- Continue to be below property tax cap since its inception in 2012
- Average tax rate increase is projected to be 2.72%
- Projected increase for Town Funds on average homeowner (\$270,000 assessed value) is \$30.37 (including \$29.60 directly attributable to Albany County Ambulance)
- 12% of your total property tax bill goes towards Town provided services

2024 Budget Compared to 2023

	Budget 2023	Budget 2024	Change	% Change
Revenues				
Real Property Taxes & PILOTS	16,382,554	16,982,211	599,657	3.7%
Sales and Use Tax	14,520,107	15,373,089	852,982	5.9%
Mortgage Taxes	975,000	940,000	(35,000)	-3.6%
Interfund Transfers - Revenue	548,111	593,547	45,436	8.3%
Metered Water Charges	7,901,620	7,800,000	(101,620)	-1.3%
Sewer Charges	2,902,000	2,850,000	(52,000)	-1.8%
Charges for Services ¹	2,076,400	2,220,050	143,650	6.9%
Other Revenue ²	<u>3,037,563</u>	<u>3,592,594</u>	<u>555,031</u>	18.3%
Total Revenues	<u>48,343,355</u>	<u>50,351,491</u>	<u>2,008,136</u>	4.2%
Expenditures				
Wages & OT	19,081,544	19,920,549	839,005	4.4%
Fringe & Payroll Taxes	8,444,523	9,108,895	664,372	7.9%
Equipment & Other Capital	1,557,810	2,611,800	1,053,990	67.7%
Paving	996,895	1,044,750	47,855	4.8%
Delmar Bethlehem EMS	188,509	392,339	203,830	108.1%
Albany County Paramedic	1,294,801	1,595,423	300,622	23.2%
Contractual Costs ¹	4,073,403	2,045,199	(2,028,204)	-49.8%
Other Appropriations ²	9,070,423	9,515,832	445,409	4.9%
Debt Service (Principal and Interest)	2,386,549	2,756,563	370,014	15.5%
Retiree Health Insurance	<u>1,248,898</u>	<u>1,360,141</u>	<u>111,243</u>	8.9%
Total Expenditures	<u>48,343,355</u>	<u>50,351,491</u>	<u>2,008,136</u>	4.2%

2024 Budget Compared to 2023

	Change	% Change	Explanation of Changes Over \$100K
Revenues			
Real Property Taxes & PILOTS	599,657	3.7%	Under the tax cap.
Sales and Use Tax	852,982	5.9%	Better economic outlook than previously anticipated.
Mortgage Taxes	(35,000)	-3.6%	
Interfund Transfers - Revenue	45,436	8.3%	
Metered Water Charges	(101,620)	-1.3%	No anticipated rate increases with lower expected volume.
Sewer Charges	(52,000)	-1.8%	
Charges for Services ¹	143,650	6.9%	Primarily Police, Engineering and Recycling Fees.
Other Revenue ²	<u>555,031</u>	18.3%	Bank interest rates expected to remain over 5%.
Total Revenues	<u>2,008,136</u>	4.2%	

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

2024 Budget Compared to 2023

Categories	Expenditures	Change	% Change	Explanation of Changes Over \$100K
Personnel	Wages & OT	839,005	4.4%	Primarily 2.5% COLA and steps totalling over \$755K.
Fringe	Fringe & Payroll Taxes	664,372	7.9%	ERS up 22% and PFRS up 21%. Health up between 10.4% and 15.9%.
Equipment	Equipment & Other Capital	1,053,990	67.7%	See next slide.
Equipment	Paving	47,855	4.8%	
Contractual	Delmar Bethlehem EMS	203,830	108.1%	Albany County support increase and \$50K for equipment.
Contractual	Albany County Paramedic	300,622	23.2%	Albany County Advanced Life Support (ALS) increase.
Contractual	Contractual Costs ¹	(2,028,204)	-49.8%	Primarily due to savings from Albany Water contract.
Contractual	Other Appropriations ²	445,409	4.9%	Chemicals, Insurance and NSWTP Engineering up \$136K, \$56K and \$125K.
Debt	Debt Service (Principal and Interest)	370,014	15.5%	Debt service cost on \$6M note obtained in 2023.
Other	Retiree Health Insurance	<u>111,243</u>	8.9%	Health Insurance rates up between 10.4% and 15.9%.
	Total Expenditures	<u>2,008,136</u>	4.2%	

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, External Tax Payments and Other Appropriations

EQUIPMENT

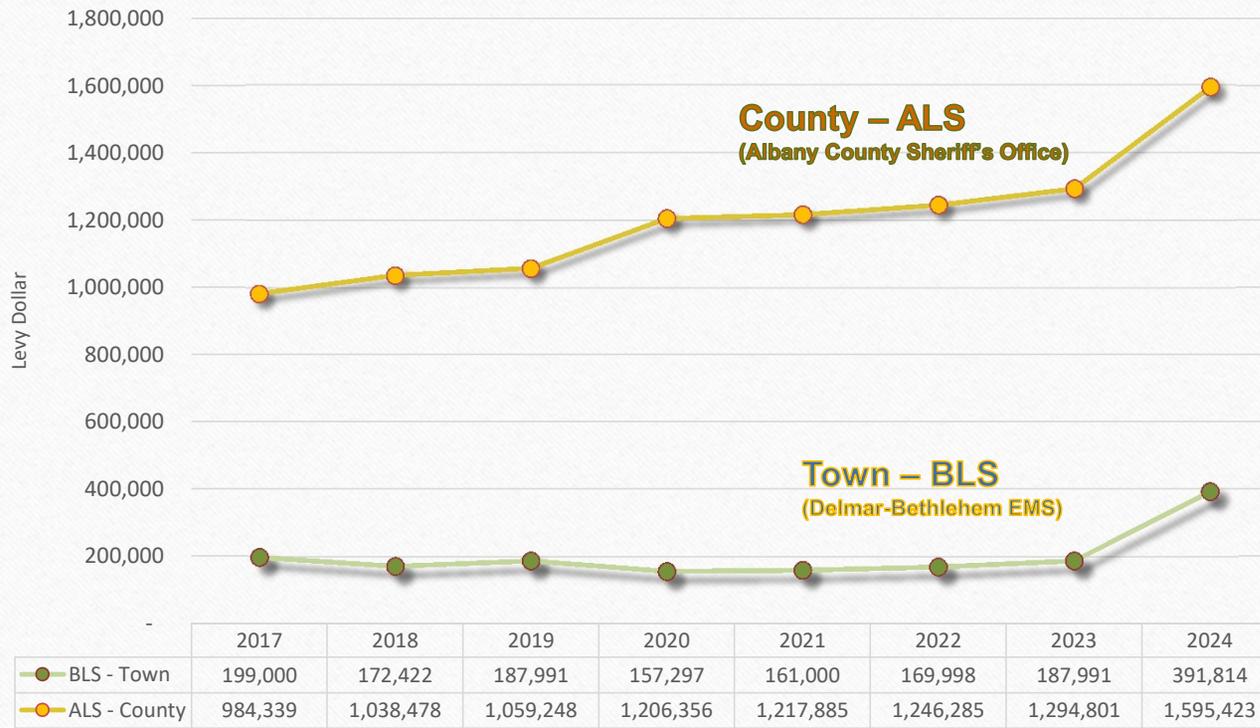
The Town intentionally delayed many capital improvement purchases until after the Albany Water Contract expired in order to avoid breaking the tax cap over the last several years. The following capital purchasing increases represent the larger changes in the Equipment category:



		<u>2023</u>	<u>2024</u>	<u>Change</u>
General Fund	Sidewalks	150,000	250,000	100,000
Highway Fund	Fleet	30,000	385,000	355,000
Water Fund	Water Meters	2,000	122,000	120,000
Water Fund	Water Mains	100,000	375,000	275,000
Sewer Fund	Sewer Mains	100,000	200,000	100,000
		<u>382,000</u>	<u>1,332,000</u>	<u>950,000</u>

The expectation is that these costs will be recurring annually to replace aging infrastructure/equipment.

EMERGENCY MEDICAL SERVICE PROPERTY TAX LEVY 2017 THROUGH 2024



Taxpayer Impact

Under Tax Cap:

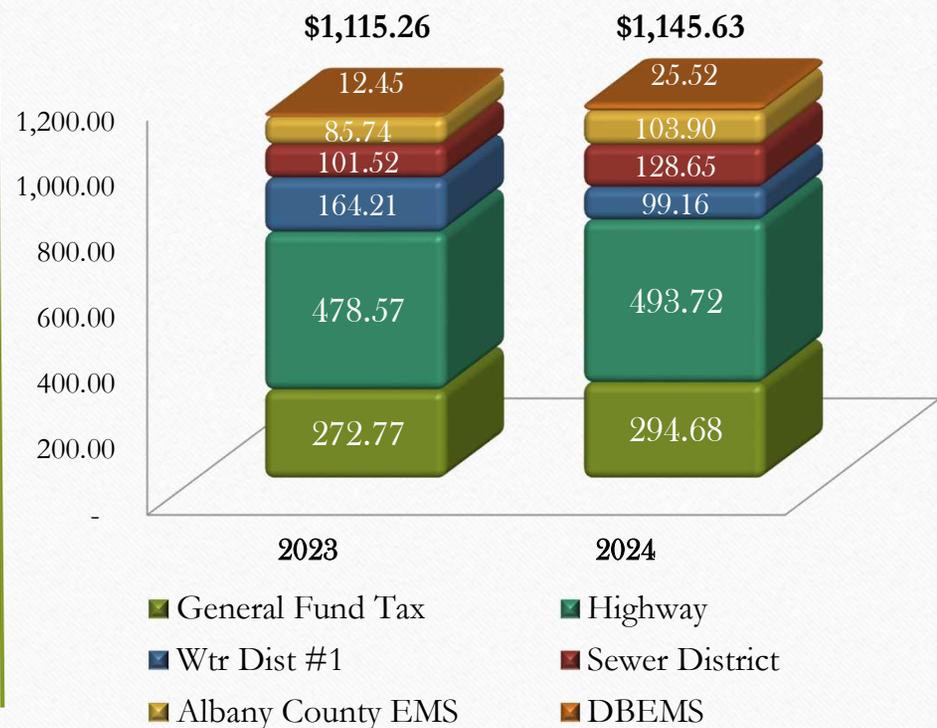
Total Levy Increase: 3.66%

- Town Growth: 1.0106%
- State Levy Growth Factor: 2%
- Retirement allowance: \$79,733

Tax Rate Increase: 2.72%

- \$30.37 bill increase
(\$270K assessment in all taxing districts)
- \$29.60 (97.5%) related to increase
in Albany County EMS costs

Distribution of Property Tax Dollars for
Average Homeowner
(\$270,000 Assessed Value)

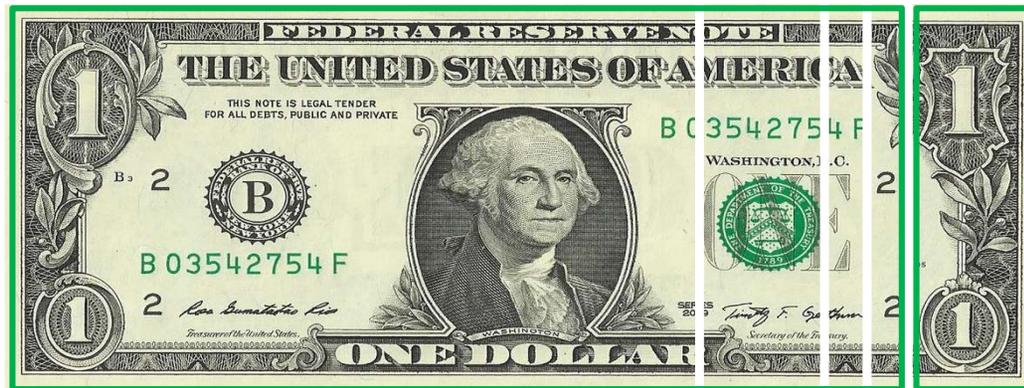


TAXPAYER IMPACT

Where your tax dollar goes

The County charges \$0.01/dollar through the Town for their ambulance service; so in reality, the Town only receives \$0.12 of every property tax dollar to provide critical town services.

Not Town
\$0.87



Town
\$0.13

School
\$0.67

County*
\$0.12

Fire Districts
\$0.04

Library
\$0.04



BEYOND 2024 – MULTI-YEAR PLANNING

- Projection shows deficits of (\$468K) and (\$742K) in 2025 & 2026, respectively
- The fund balance policy states that the “Town will strive to maintain a contingency fund balance” of 15% of the most recent budget.
 - The current projection shows that we should be appropriately funded at 16.8% and 15.4%.
 - The key changes relate to salaries and benefits, which are projected to increase almost \$2.1M over the next two years., while the property tax levy and sales taxes are projected to increase \$1.3M.



	Surplus/(Deficit)	
	2025 Projection	2026 Projection
General Fund	(\$514,946)	(\$527,106)
Highway Fund	(\$1,525)	(\$60,924)
Water Fund	\$155,183	(\$17,232)
Sewer Fund	(\$106,588)	(\$136,765)
Ambulance Fund - DBEMS	\$0	\$0
Ambulance Fund - County	\$0	\$0
Total	(\$467,876)	(\$742,027)
Fund Balance Percentage	16.8%	15.4%



Recap

- Under tax cap AGAIN
- 2024 tax rate change = 2.72%
Avg. homeowner up just \$30.37
- Majority of increased costs in 2024 comes from wages and benefits, especially retirement, County ambulance services, and a focus on getting recurring equipment purchases into the annual operating budget
- Only 12% of your property tax dollars go to the Town



Together we are one Bethlehem ♥