

2025 TENTATIVE BUDGET

FISCAL RESPONSIBILITY AMIDST RISING COSTS

Michael Cohen, Comptroller

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September 25, 2024

DAVID VANLUVEN - SUPERVISOR

2025 BUDGET HEADLINES

\$52.4 MILLION +\$2.0 MILLION ↑3.99%

Budgeted Revenues

- **Property Tax and PILOTs increase \$430K**
 - Below property tax cap since its inception in 2012
 - Average tax rate increase for Town Taxes is projected to be 1.59% or \$18.25 for an average homeowner (\$271,000 assessed value)
 - 12% of total property tax bill goes towards Town provided services
- **Sales Tax increase of \$439K***
- **Investment Interest Income increase of \$545K***
- **Use of Fund Balance \$165K**
 - Utilizing approx. 15% of 2012 Retirement Reserve to offset a portion of NYS retirement costs

* Compared to 2024 Adopted Budget



2025 BUDGET HEADLINES

\$52.4 MILLION +\$2.0 MILLION ↑3.99%

Budgeted Expenditures

- **NYS Retirement Contributions** projected by New York State to increase \$346K*
 - 2025 state projected costs are up \$1.1M since 2022 actual
- **Employee Health Insurance** increased \$259K*
 - Health insurance premium increase of 10% for 2025
- **Ambulance** increases of \$108K* (includes ALS and DBEMS)
- **Employee Salaries and Wages** increase of \$323K*
 - Includes a COLA of 2% as well as performance-based steps
- **Equipment and Capital** increase of \$514K*

* Compared to 2024 Adopted Budget



TAXPAYER IMPACT

Under Tax Cap:

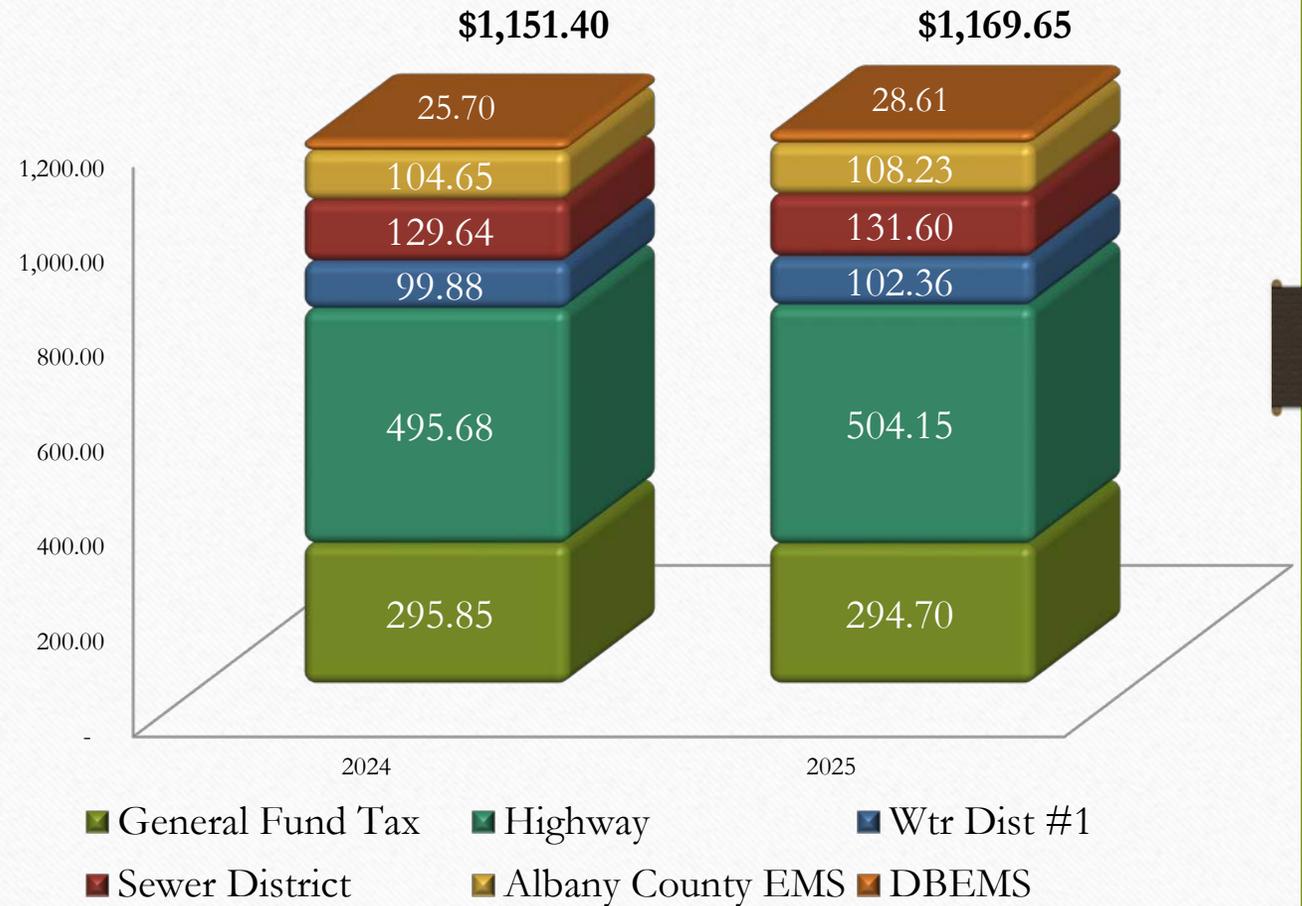
Total Levy Increase: 2.53%

- State Levy Growth Factor: 2.0%
- Town Growth Factor: 0.56%
- Retirement allowance: \$23K

Tax Rate Increase: 1.59%

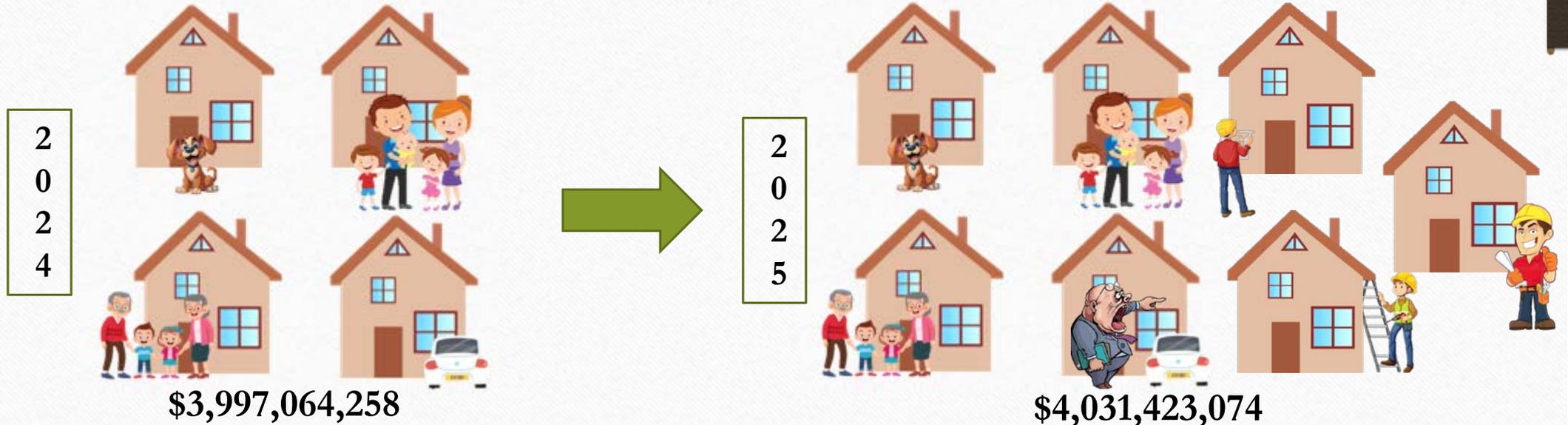
- \$18.25 bill increase (based on a \$271K assessment in all taxing districts)
- Due to late change to a PILOT agreement in 2024, the Town set aside \$12K in excess funds to offset the levy in 2025.

Distribution of Property Tax Dollars for Average Homeowner (\$271,000 Assessed Value)



CHANGE IN TAX LEVY VS. TAX BILL

	<u>Tax Levy</u> ¹	<u>Weighted Avg. Assessed Value</u> ²	<u>Tax Rate (Per \$1,000 Assessed Value)</u>
<u>2024</u>	\$16,982,211	\$3,997,064,258	\$4.2487
<u>2025</u>	\$17,412,200	\$4,031,423,074	\$4.3161
<u>Increase</u>	2.53%		1.59%

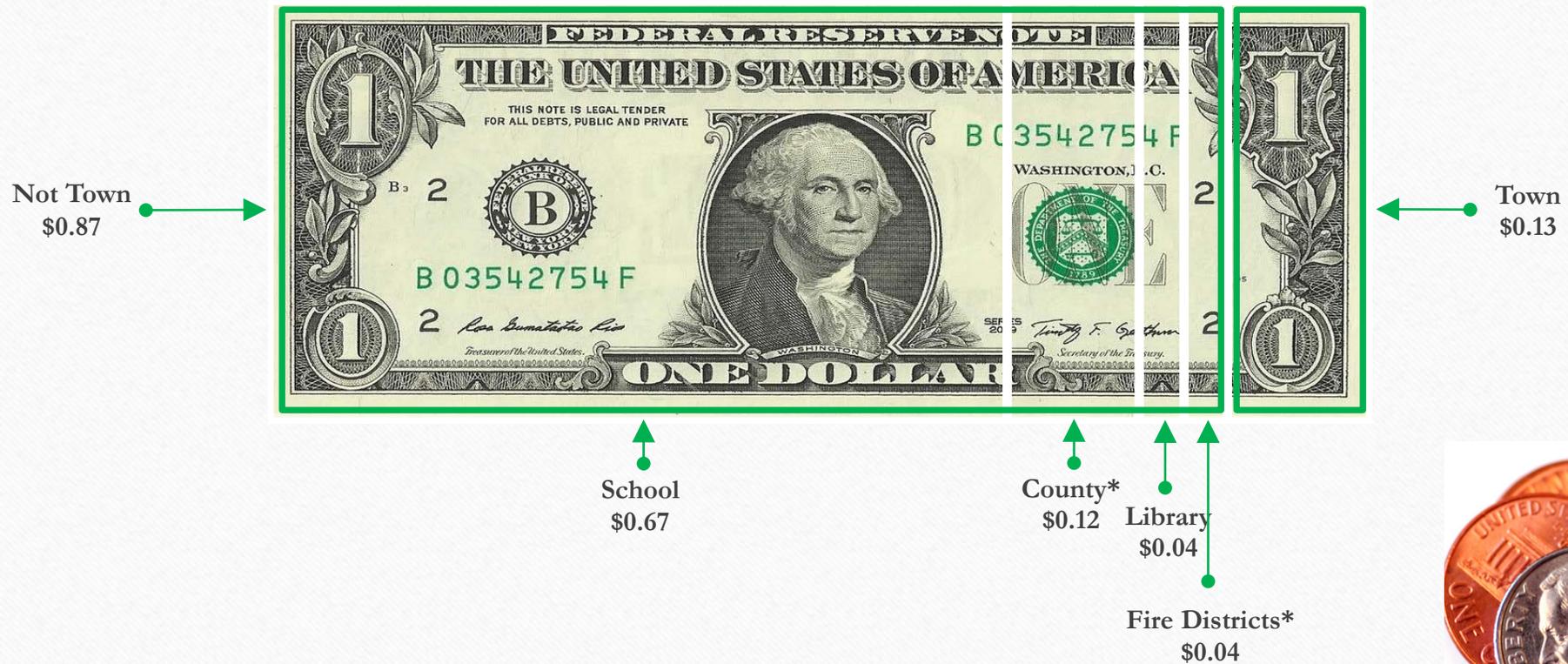


¹2024 Actual Tax Levy & 2025 Projected Tax Levy

²Cumulative Total Assessed Value of Town (Excludes Exempt Properties)

TAXPAYER IMPACT

Where your tax dollar goes



* Due to timing, the weighted fire districts and County tax rates for 2025 were projected based on historical data.

TAXPAYER IMPACT

Where your tax dollar goes

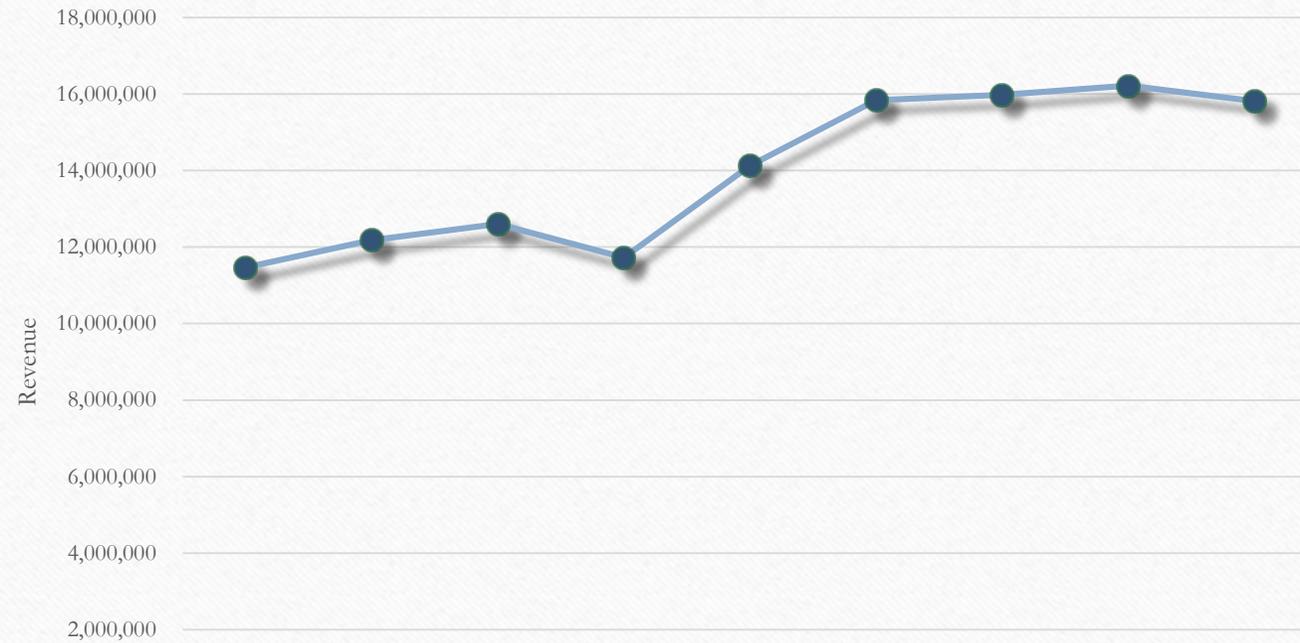
The County charges \$0.01/dollar through the Town for **their** ambulance service; so in reality, the Town only receives \$0.12 of every property tax dollar to provide critical town services.



* Due to timing, the weighted fire districts and County tax rates for 2025 were projected based on historical data.



SALES TAX 2025 BUDGET



	2017	2018	2019	2020	2021	2022	2023	2024 Projected	2025 Budgeted
● Sales Tax	11,470,119	12,183,704	12,600,632	11,727,684	14,130,649	15,840,039	15,981,081	16,217,865	15,812,418



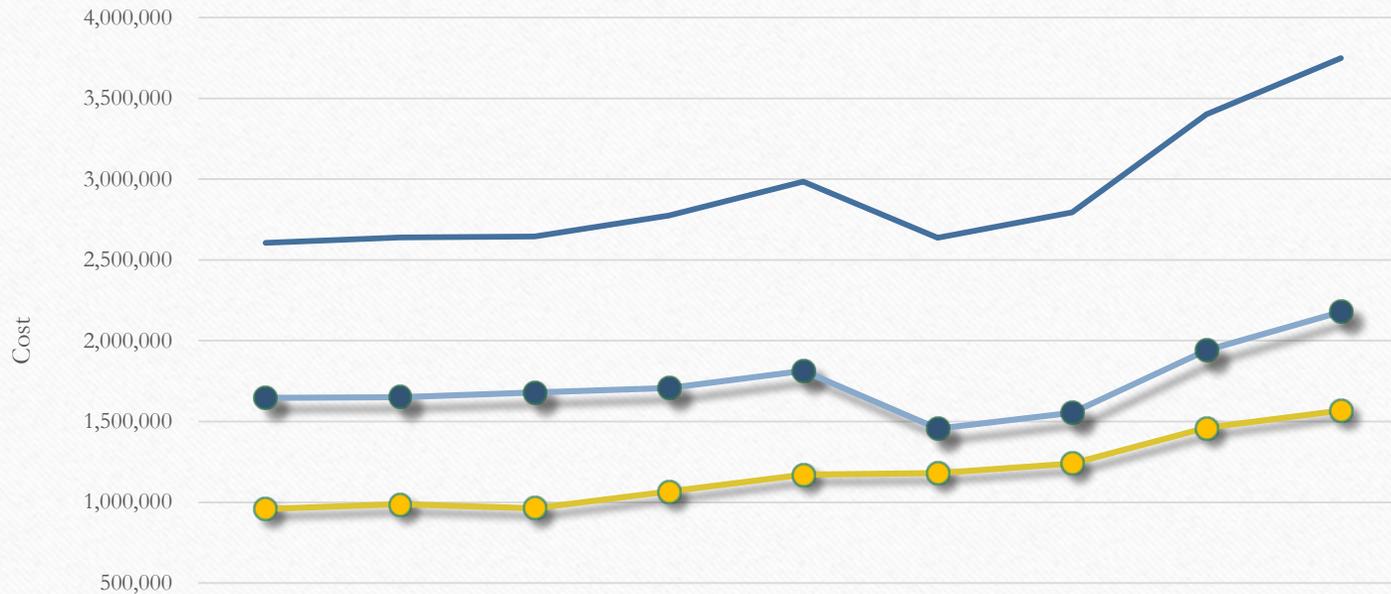


INTEREST INCOME 2025 BUDGET

Interest Income (Rounded)			
2024 Budgeted	2024 Expected	Adjustment*	2025 Budgeted
\$854 Thousand	\$2.0 Million	30% ↓	\$1.4 Million

* Adjusted cash based on fewer funds expected to be available for investment in 2025, as well as a reduction in interest for expected decreases in the average Federal funds rate from Q3 2024 through Q4 2025.

ERS & PFRS RETIREMENT COST INCREASES 2017 THROUGH 2025



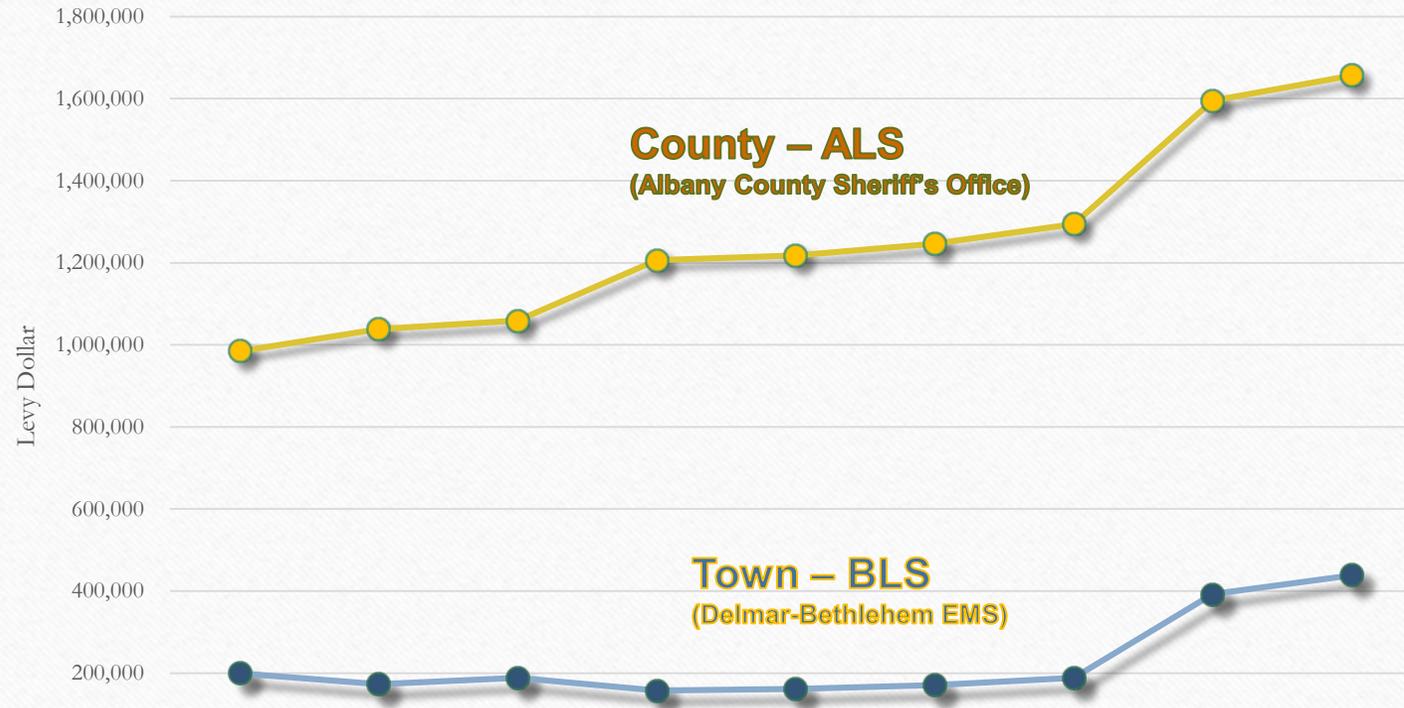
The most recent increases in retirement costs came from certain benefit enhancements, added by the legislature in 2023 and 2024, for members of Tier 6, notably:

- Reduction of 10 year vesting period to 5; and
- Reduction of 5 year FAS to 3 year.

These changes materially improved the value of the benefits for that tier as well as increased the cost to NYS residents.

	2017	2018	2019	2020	2021	2022	2023	2024 Budgeted	2025 Budgeted
ERS	1,646,347	1,650,666	1,680,546	1,707,958	1,813,923	1,455,173	1,554,051	1,940,779	2,179,097
PFRS	959,534	987,636	963,701	1,066,300	1,171,533	1,181,347	1,239,992	1,461,053	1,568,552
Combined	2,605,881	2,638,302	2,644,247	2,774,258	2,985,456	2,636,520	2,794,043	3,401,832	3,747,649

EMERGENCY MEDICAL SERVICE PROPERTY TAX LEVY 2017 THROUGH 2025



	2017	2018	2019	2020	2021	2022	2023	2024	2025 Budgeted
● BLS - Town	199,552	172,985	188,559	157,875	161,560	170,735	188,509	392,339	438,538
● ALS - County	984,339	1,038,478	1,059,248	1,206,356	1,217,885	1,246,284	1,294,801	1,595,423	1,656,726



STAFFING

Full Time Personnel Counts												
Final Check Run of the Year												
Fund	Dept Code	Department Name	Actual 2021	Actual 2022	Actual 2023	Actual 2024 thru 9/13	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Change in 2024 to 2025 Budget
GF	1110	Justice	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
GF	1220	Supervisor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
GF	1315	Comptroller	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-
GF	1330	Tax Collection	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0	-
GF	1355	Assessment	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
GF	1410	Town Clerk	2.0	2.0	2.0	2.0	3.0	2.0	3.0	3.0	3.0	-
GF	1430	Human Resources	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
GF	1620	Shared Services	4.7	4.6	3.8	4.8	4.8	4.8	4.8	4.8	4.8	-
GF	1680	MIS	2.0	2.0	3.0	2.0	2.0	2.0	3.0	3.0	3.0	-
GF	3110	Telecommunications	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	12.0	1.0
GF	3120/30	Police (Sworn & Non)	41.0	44.0	41.0	41.0	44.0	44.0	44.0	44.0	44.0	-
GF	3620	Building	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	-
GF	6772	Seniors	6.0	7.0	7.0	6.0	7.0	7.0	7.0	7.0	7.0	-
GF	7110-45	Parks	9.1	9.7	11.0	10.0	9.0	9.0	10.0	10.0	10.0	-
GF	8020	Planning	4.5	5.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	-
GF	8160	Recycling	-	5.3	5.2	5.3	-	-	5.0	5.0	5.0	-
GF	5010-20	Highway (General Fund)	10.9	4.3	5.3	11.2	8.5	8.5	4.5	4.5	5.0	0.5
HF	5010-42	Highway Fund	40.3	42.0	43.8	34.3	46.7	46.7	47.7	47.7	47.2	(0.5)
GF	1685	GIS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
GF	8590/95	DPW Admin	5.7	4.4	5.2	4.2	5.7	5.7	5.4	5.4	5.4	-
WF	8510-40	Water Fund	27.8	29.1	28.9	32.1	30.9	30.9	31.0	31.0	31.0	-
SF	8510-45	Sewer Fund	17.5	15.6	14.8	15.1	17.5	17.5	17.7	17.7	17.7	-
Grand Total			205.0	209.0	211.0	208.0	219.0	219.0	224.0	225.0	226.0	1.0

EQUIPMENT AND CAPITAL COSTS CHANGES 2024 BUDGET TO 2025

General Fund	Highway Fund	Water Fund	Sewer Fund
+14,000	+\$133,000	+\$191,000	+\$141,500
<ul style="list-style-type: none"> • Miscellaneous Equipment 	<ul style="list-style-type: none"> • Paving • Large Fleet Purchases • Miscellaneous Equipment & Fleet 	<ul style="list-style-type: none"> • SCADA Improvements • CRWTP Bldg. Improvements • CRWTP Purification Improvements • Skid Steer Purchase • CRWTP Hardware & Software • Pump Station Hardware & Software 	<ul style="list-style-type: none"> • Skid Steer Purchase • SCADA Improvements • Lining/Rehab of Sewers

MULTI-YEAR PLANNING

Town of Bethlehem
Financial Plan, Fiscal Year 2025
Combined - Detail

	Actual					Budget					Projection		24 Bdt to 25 Bdt		Out Year Assumptions	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Dollars	Percent	2026	2027	
Revenues																
Real Property Taxes	\$13,324,001	\$13,725,612	\$14,132,172	\$14,669,681	\$15,109,744	\$15,577,339	\$15,986,092	\$16,607,128	\$16,949,076	\$17,409,175	\$17,749,724	\$41,948	2.1%	2.7%	2.0%	
Payments In Lieu of Taxes	344,688	333,372	341,657	332,711	351,569	370,294	387,361	375,083	463,124	351,242	365,896	88,041	23.5%	-24.2%	4.2%	
Sales and Use Tax	11,470,119	12,163,704	12,600,632	11,727,684	14,130,649	15,840,039	15,981,081	15,373,089	15,812,418	16,128,668	16,451,240	439,329	2.9%	2.0%	2.0%	
Mortgage Recording Taxes	1,131,428	1,169,026	1,375,824	1,220,465	1,523,339	1,633,073	1,325,136	940,000	940,000	940,000	940,000	860,819	-69	-0.1%	0.0%	
State Aid	558,187	527,158	617,360	596,133	778,286	881,026	975,565	861,288	861,288	860,819	860,819	-469	-0.1%	0.0%	0.0%	
Federal Aid	437,953	127,437	714,935	51,920	67,788	571,992	1,642,599	50,000	64,400	64,400	64,400	14,400	28.8%	0.0%	0.0%	
Interfund Transfers - Revenue	427,054	449,978	466,291	489,242	573,738	604,556	612,340	593,547	610,304	622,960	635,992	16,757	2.8%	2.1%	2.1%	
Fines and Forfeitures	396,704	425,558	365,363	202,433	168,331	216,644	178,524	190,000	178,000	178,780	181,578	-12,000	-6.3%	1.0%	1.0%	
Cable Franchise Fees	688,983	685,275	685,757	697,026	642,650	643,696	624,632	614,721	552,290	524,647	498,415	-42,461	-10.2%	-5.0%	0.0%	
Refuse and Garbage Charges	372,122	471,271	647,451	665,133	466,556	386,560	417,194	380,000	440,000	440,000	440,000	60,000	15.8%	0.0%	0.0%	
Interest Income	53,942	260,330	625,593	208,374	30,086	308,026	1,620,139	853,533	1,463,386	1,492,654	1,522,507	609,853	71.5%	2.0%	2.0%	
Metered Water Charges	6,814,654	7,136,577	6,858,494	7,517,151	7,646,271	8,563,938	7,414,611	7,800,000	7,675,000	7,828,500	7,985,070	-125,000	-1.6%	2.0%	2.0%	
Sewer Charges	2,610,708	2,818,195	2,833,942	3,087,791	3,038,068	3,064,733	2,974,104	2,850,000	3,010,000	3,070,200	3,131,604	160,000	5.6%	2.0%	2.0%	
Charges for Services	2,071,370	2,048,897	2,033,565	1,664,361	1,983,703	3,086,884	2,510,268	2,220,050	2,378,050	2,411,077	2,444,620	158,000	7.1%	1.4%	1.4%	
Rental Income	296,903	308,275	256,882	273,455	331,286	330,896	65,000	353,000	83,000	83,830	84,868	-270,000	-76.5%	1.0%	1.0%	
Insurance Recoveries	160,896	229,305	167,387	118,945	99,406	162,372	157,144	60,000	60,000	64,694	74,694	0	0.0%	7.8%	15.5%	
Use of Fund Balance	0	0	0	0	0	0	0	0	165,000	0	0	165,000	N/A	0.0%	0.0%	
Other Revenue	302,644	585,881	354,514	363,833	627,955	605,462	1,837,413	230,052	654,933	661,675	668,489	424,881	194.7%	1.0%	1.0%	
Total Revenues and Other Sources	\$41,462,356	\$43,484,661	\$44,637,849	\$43,856,338	\$47,569,425	\$52,847,510	\$54,709,203	\$50,351,491	\$52,359,770	\$53,134,319	\$54,099,615	\$2,088,279	4.0%	1.5%	1.8%	
Expenditures																
Personal Services	\$15,885,289	\$16,536,265	\$16,852,319	\$16,517,188	\$16,439,856	\$17,572,176	\$18,305,369	\$19,920,540	\$20,243,601	\$20,850,909	\$21,476,436	\$323,052	1.6%	3.0%	3.0%	
Health Insurance	2,272,871	2,386,057	2,486,758	2,416,495	2,484,030	2,405,417	2,537,665	3,142,427	3,401,837	3,571,929	3,750,525	259,410	8.3%	5.0%	5.0%	
Employee Retirement System	1,848,347	1,850,666	1,880,546	1,707,558	1,813,923	1,455,173	1,554,051	1,940,779	2,179,097	2,420,977	2,776,860	238,318	12.3%	11.1%	14.7%	
Police Retirement System	959,534	987,636	963,701	1,066,300	1,171,533	1,181,347	1,239,992	1,461,053	1,568,552	1,632,863	1,693,279	107,499	7.4%	4.1%	3.7%	
Other Employee Benefits and Payroll Taxes	2,229,770	2,332,665	2,387,257	2,371,237	2,212,302	2,280,190	2,341,571	2,584,636	2,624,267	2,702,995	2,784,065	59,631	2.3%	3.0%	3.0%	
Retiree Health Insurance	761,953	746,302	804,647	881,877	1,021,990	1,075,066	1,158,595	1,380,141	1,424,439	1,495,661	1,570,444	84,298	4.7%	5.0%	5.0%	
Equipment and Capital Outlay	1,459,384	1,557,736	1,192,734	830,094	711,527	1,628,990	4,153,287	2,611,800	3,050,400	2,897,800	2,493,275	-438,600	-16.8%	-5.0%	-14.0%	
Paving	506,680	385,368	473,971	789,032	1,060,979	970,746	749,365	1,044,750	1,120,000	1,120,000	1,120,000	75,250	7.2%	0.0%	0.0%	
Vehicle Maintenance	432,669	541,988	560,688	452,008	503,895	552,517	513,083	586,900	584,043	586,896	589,582	-2,857	-0.5%	0.5%	0.5%	
Gasoline & Diesel Fuel	262,031	353,637	363,164	232,098	302,869	597,851	487,339	329,446	456,626	466,547	476,722	127,179	38.6%	2.2%	2.2%	
Road Materials	255,463	143,753	122,739	127,514	112,550	156,591	282,753	309,000	339,000	342,546	346,163	30,000	9.7%	1.0%	1.1%	
Salt & Sand	152,640	292,621	251,707	95,281	157,365	219,922	177,606	257,500	227,500	228,638	229,781	-30,000	-11.7%	0.5%	0.5%	
All Other Supplies	635,187	677,250	638,598	625,843	597,897	653,283	204,180	618,123	494,123	496,277	498,441	-124,000	-20.1%	0.4%	0.4%	
Albany Water Contract	1,701,000	1,701,000	1,830,000	1,977,094	2,049,611	2,095,833	2,196,667	100,000	170,000	100,000	100,000	70,000	70.0%	-41.2%	0.0%	
Engineers	489,342	175,620	56,334	171,357	107,326	125,180	108,935	294,500	631,000	634,155	637,326	338,500	114.3%	0.5%	0.5%	
Taxes: Town of New Scotland	300,569	401,474	398,802	404,726	407,586	411,572	421,567	426,000	434,000	435,165	437,341	8,000	1.9%	0.3%	0.5%	
Equipment Repairs	161,191	181,585	116,966	216,526	135,364	235,925	384,569	385,650	336,050	337,730	339,419	-49,600	-12.9%	0.5%	0.5%	
Property Repairs	98,830	97,095	83,140	168,813	116,879	293,661	357,737	342,925	290,925	282,330	283,741	-52,000	-15.2%	-3.0%	0.5%	
Electricity	792,602	873,562	799,112	710,453	1,030,395	1,380,319	1,064,250	1,188,704	1,053,979	1,064,519	1,075,164	-134,725	-11.3%	1.0%	1.0%	
Chemicals	235,778	203,977	194,290	222,198	269,897	537,424	570,560	740,500	691,500	692,193	692,888	-49,000	-6.6%	0.1%	0.1%	
Maintenance Contracts	221,171	227,907	179,963	210,292	184,961	178,698	249,507	315,355	615,910	646,706	679,041	300,555	95.3%	0.5%	0.5%	
Other Contract Services	868,851	659,763	1,034,102	977,598	1,142,559	1,282,756	1,074,645	1,629,844	990,964	995,919	1,000,898	-638,880	-39.2%	0.5%	0.5%	
Other Appropriations	2,448,074	2,187,162	3,328,821	2,535,229	3,057,830	3,035,540	3,759,497	4,036,584	4,363,243	4,385,059	4,406,985	326,659	8.1%	0.5%	0.5%	
Debt Service (Principal and Interest)	2,175,774	2,643,256	2,418,101	3,271,346	3,279,707	3,285,477	2,544,191	2,756,563	2,973,451	3,117,118	3,368,534	216,888	7.9%	4.8%	1.0%	
Interfund Transfers - Expenditures	415,495	437,764	1,832,455	2,067,928	4,174,916	6,961,722	2,447,841	0	0	0	0	0	N/A	#DIV/0!	#DIV/0!	
Ambulance Charges	1,183,891	1,211,463	1,247,807	1,384,231	1,379,445	1,417,019	1,483,310	1,887,762	2,095,264	2,137,143	2,179,880	107,502	5.4%	2.0%	2.0%	
Total Expenditures and Other Uses	\$38,842,716	\$40,193,572	\$42,398,842	\$42,410,716	\$45,957,192	\$51,990,395	\$50,378,102	\$50,351,491	\$52,359,770	\$53,641,981	\$55,006,811	\$2,088,279	4.0%	2.4%	2.5%	
Surplus (Deficit)	\$2,619,640	\$3,291,089	\$2,239,007	\$1,445,622	\$1,612,233	\$887,115	\$4,331,101	\$0	\$0	-\$807,661	-\$907,196					

Benefits

- Assists in balancing the budget responsibly in future years
- Prepares for, and helps to prevent, revenue or service shocks (for example):
 - Expiration of the City of Albany Water Contract
 - Retirement and Albany County EMS increases
- 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

BEYOND 2025 – MULTI-YEAR PLANNING

- Projection shows deficits of (\$508K) and (\$907K) in 2026 & 2027, 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 17.3% and 15.6%.
 - The key changes relate to salaries and benefits, which are projected to increase approx. \$2.6M over the next two years., while the property tax levy, sales taxes, and metered water charges are projected to increase \$1.7M.



	Surplus/(Deficit)	
	2026 Projection	2027 Projection
General Fund	(\$508,913)	(\$815,847)
Highway Fund	(\$106,387)	(\$206,842)
Water Fund	\$139,100	\$42,635
Sewer Fund	(\$31,461)	\$72,859
Ambulance Fund - DBEMS	\$0	\$0
Ambulance Fund - County	\$0	\$0
Total	(\$507,661)	(\$907,196)
Fund Balance Percentage	17.3%	15.6%



QUESTIONS?

