

2025 TENTATIVE BUDGET

PRELIMINARY

FISCAL RESPONSIBILITY AMIDST RISING COSTS

Michael Cohen, Comptroller

Theresa Ungerer, Deputy Comptroller

Cherie Gitto, Deputy Purchasing Agent/Chief Accountant

September 23, 2024
October 23, 2024

DAVID VANLUVEN - SUPERVISOR

2025 Budget Schedule

Town Board Meetings & Workshops

Unless otherwise noted all meetings begin at 6:00 pm

Town Board Meetings will be Webcast & Archived

- **Budget Workshop** September 10 Dept. Head Meeting – 9:30 AM ☒
- **Capital Plan** September 11 Town Board ☒
- **Tentative Budget Presentation** September 25 Town Board ☒
- **Continuing Budget Discussion** October 9 Town Board ☒
- **Public Hearing/Preliminary Budget** October 23 Town Board ☒
- **Final Budget Adoption** November 13 Town Board ☐

“2025 Town Budget”
link on the Town website
provides comprehensive information
and is regularly updated

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:

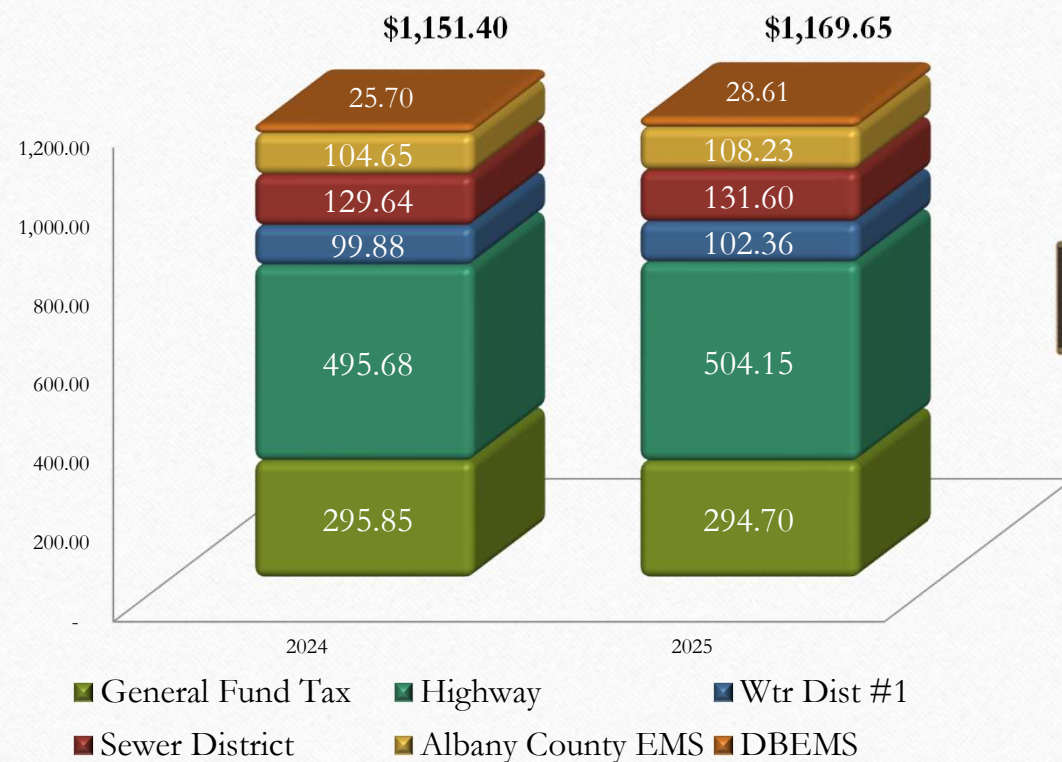
Total Levy Increase: 2.53%

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

Tax Rate Increase: 1.59%

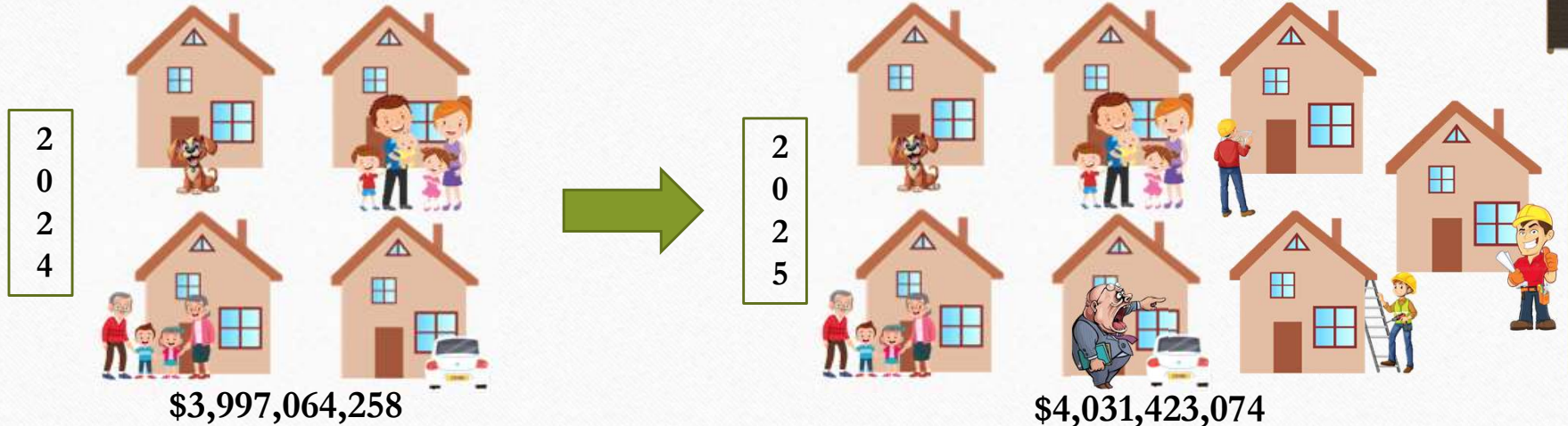
- \$18.25 bill increase (based on a \$271K assessment in all taxing districts)
- Due to late change to a PILOT agreement in 2024, the Town set aside \$12K in excess funds to offset the levy in 2025.

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



CHANGE IN TAX LEVY VS. TAX BILL

	<u>Tax Levy¹</u>	<u>Weighted Avg. Assessed Value²</u>	<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

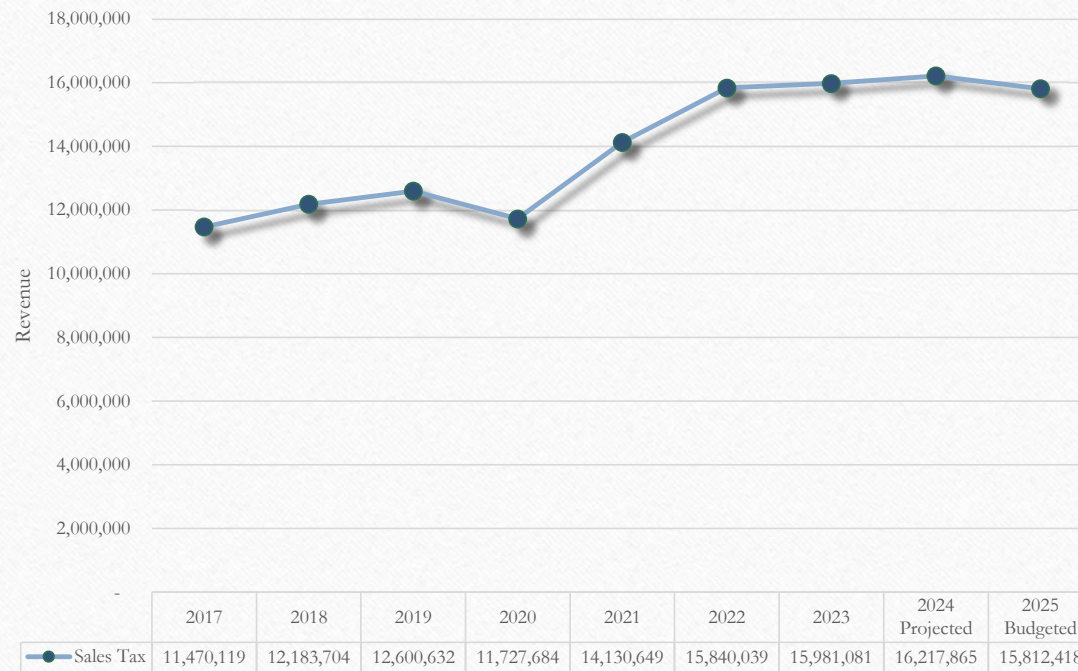
The County charges \$0.01/dollar through the Town for their ambulance service; so in reality, the Town only receives \$0.12 of every property tax dollar to provide critical town services.



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



SALES TAX 2025 BUDGET



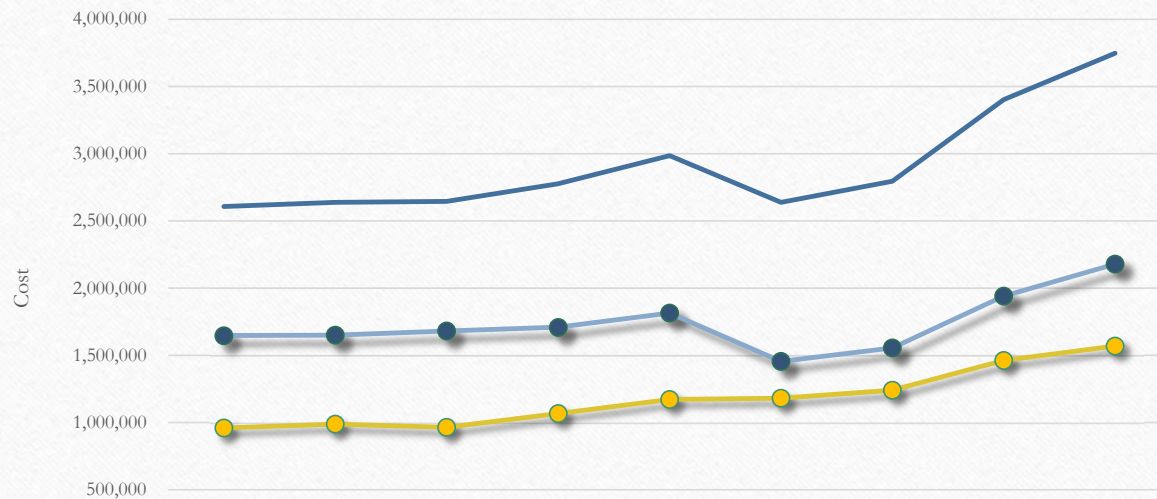


INTEREST INCOME 2025 BUDGET

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



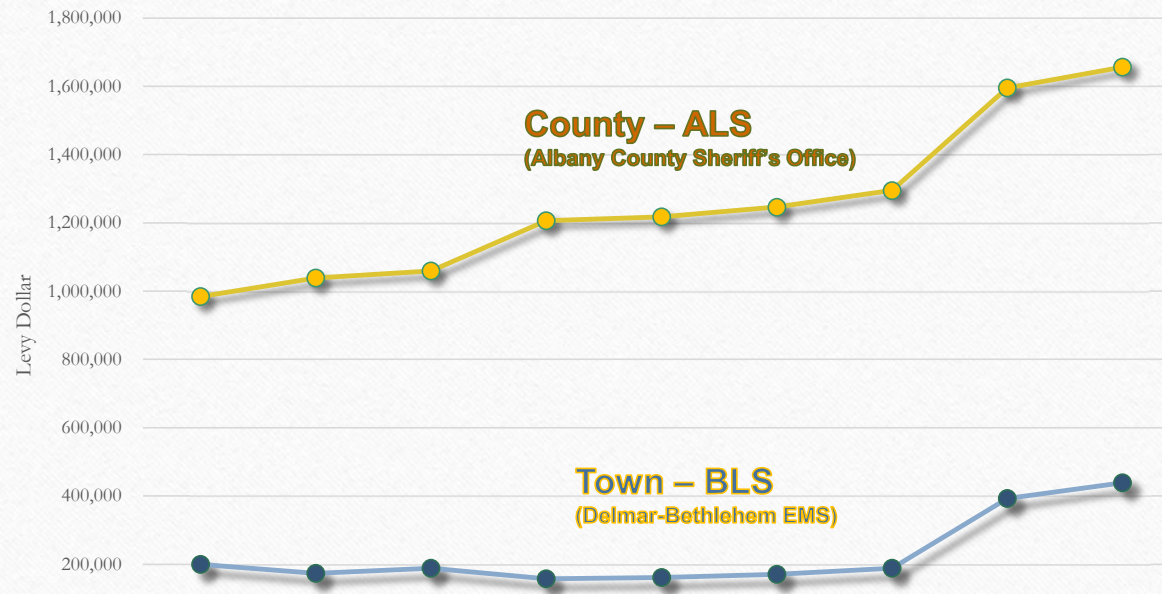
The most recent increases in retirement costs came from certain benefit enhancements, added by the legislature in 2023 and 2024, for members of Tier 6, notably:

- 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.

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				Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Change in 2024 to 2025 Budget
Fund	Dept Code	Department Name	Actual 2021	Actual 2022	Actual 2023	Actual 2024 thru 9/13						
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
Miscellaneous Equipment	- Paving - Large Fleet Purchases - Miscellaneous Equipment & Fleet	- SCADA Improvements - CRWTP Bldg. Improvements - CRWTP Purification Improvements - Skid Steer Purchase - CRWTP Hardware & Software - Pump Station Hardware & Software	- Skid Steer Purchase - SCADA Improvements - Lining/Rehab of Sewers

MULTI-YEAR PLANNING

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

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

	2017	2018	2019	2020	2021	Actual 2022	2023	2024	2025	Projection 2026	Projection 2027	24 Bgt to 25 Bgt Dollars	24 Bgt to 25 Percent	Out Year Assumptions 2026	2027
Revenues															
Real Property Taxes	\$13,324,001	\$13,725,612	\$14,132,172	\$14,688,881	\$15,190,744	\$15,577,339	\$15,986,002	\$16,607,128	\$16,949,076	\$17,409,175	\$17,749,724	\$4,148	2.1%	2.7%	2.0%
Payments in Lieu of Taxes	344,688	333,372	341,657	332,711	351,569	370,264	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	12,183,704	12,630,622	11,727,884	14,130,649	15,840,029	15,941,081	15,373,089	15,812,418	16,128,686	16,431,240	439,329	2.9%	2.0%	2.0%
Mortgage Recording Taxes	1,151,428	1,168,206	1,375,824	1,220,465	1,523,339	1,623,073	1,325,156	940,000	940,000	940,000	940,000	-	0.0%	0.0%	0.0%
State Aid	558,187	527,158	817,300	596,133	778,286	881,036	975,565	861,288	860,819	860,819	860,819	-489	-0.1%	0.0%	0.0%
Federal Aid	427,953	127,437	74,935	51,820	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	427,354	449,978	486,291	489,242	573,738	604,556	612,340	593,547	610,304	622,960	635,892	16,757	2.8%	2.1%	2.1%
Fines and Forfeitures	386,704	425,558	365,363	202,433	168,321	216,644	178,524	190,000	178,000	179,780	181,578	-12,200	-6.3%	1.0%	1.0%
Cable Franchise Fees	688,880	685,275	685,757	687,226	642,660	642,698	642,698	642,698	642,698	642,698	642,698	-48,441	-18.2%	-0.0%	-0.0%
Refuse and Garbage Charges	372,122	471,271	647,451	665,133	456,556	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	625,933	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%
Miscellaneous Water Charges	6,814,654	7,136,577	6,858,484	7,517,151	7,646,271	6,563,938	7,414,811	7,800,000	7,875,000	7,828,500	7,885,070	-125,000	-1.6%	2.0%	2.0%
Sewer Charges	2,810,738	2,816,195	2,833,342	3,087,791	3,038,568	3,084,723	2,974,104	2,850,000	3,010,000	3,070,200	3,131,654	160,000	5.6%	2.0%	2.0%
Change in Services	2,071,370	2,046,807	2,033,563	1,664,361	1,993,703	3,084,884	2,510,268	2,220,550	2,378,550	2,411,077	2,444,620	186,000	7.1%	1.4%	1.4%
Rental Income	296,903	308,275	254,882	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	64,894	74,894	-	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	362,644	565,681	254,514	363,833	627,955	616,462	1,637,413	230,052	654,933	661,675	668,469	62,881	19.4%	1.0%	1.0%
Total Revenues and Other Sources	\$41,462,356	\$43,484,661	\$44,637,849	\$43,856,138	\$47,569,425	\$52,847,519	\$54,709,281	\$59,351,491	\$52,259,779	\$53,134,319	\$54,099,915	\$2,068,279	4.0%	1.5%	1.8%
Expenditures															
Personal Services	\$15,885,289	\$16,536,265	\$16,652,319	\$16,572,188	\$16,439,856	\$17,572,176	\$18,305,389	\$19,820,549	\$20,243,601	\$20,850,909	\$21,476,436	\$322,052	1.6%	3.0%	3.0%
Health Insurance	2,272,871	2,386,657	2,486,758	2,416,495	2,484,030	2,405,417	2,537,865	2,142,427	2,401,837	2,371,929	2,350,525	258,410	8.3%	5.0%	5.0%
Employee Retirement System	1,646,347	1,655,666	1,688,546	1,707,958	1,813,923	1,855,172	1,554,851	1,940,779	2,179,697	2,420,877	2,776,960	238,319	12.3%	11.1%	14.7%
Police Retirement System	959,534	967,636	963,701	1,060,300	1,171,553	1,181,347	1,238,862	1,461,053	1,568,652	1,632,863	1,683,278	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	2,564,636	2,624,267	2,702,995	2,784,085	99,631	3.2%	3.0%	3.0%
Retiree Health Insurance	761,953	746,302	804,647	881,877	1,021,990	1,075,068	1,158,595	1,360,141	1,424,438	1,495,681	1,570,444	64,268	4.7%	5.0%	5.0%
Equipment and Capital Outlay	1,459,384	1,557,738	1,192,734	830,094	711,527	1,628,990	4,153,267	2,811,600	3,050,400	2,897,600	2,493,275	438,600	16.8%	-6.0%	-14.0%
Paving	589,680	385,348	473,871	739,832	1,080,279	978,746	748,355	1,944,750	1,120,000	1,120,000	1,120,000	75,250	7.2%	0.0%	0.0%
Vehicle Maintenance	432,959	541,988	563,688	432,008	503,956	552,517	513,393	586,000	584,043	586,806	589,582	-2,857	-0.5%	0.5%	0.5%
Gasoline & Diesel Fuel	262,031	353,637	363,164	232,098	332,969	597,851	487,339	329,446	456,625	466,547	476,722	127,179	38.6%	2.2%	2.2%
Road Materials	265,493	143,753	122,739	127,514	112,550	156,581	282,753	309,000	339,000	342,545	346,163	30,000	8.7%	1.0%	1.1%
Salt & Sand	152,840	292,621	251,707	95,281	157,365	219,922	177,808	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	693,293	204,150	618,123	494,123	496,277	498,411	-126,000	-20.1%	0.4%	0.4%
Albany Water Contract	1,791,000	1,791,000	1,930,000	1,977,394	2,049,611	2,095,833	2,196,667	100,000	170,000	100,000	100,000	10,000	70.0%	-41.2%	0.0%
Engineers	489,342	175,620	56,334	171,357	107,326	125,180	108,935	254,500	631,000	634,195	637,326	336,500	114.3%	0.5%	0.5%
Taxes: Town of New Scotland	380,569	401,474	398,982	404,726	407,586	411,572	421,967	426,000	434,000	435,195	437,341	8,000	1.9%	0.3%	0.5%
Equipment Repairs	161,191	181,565	115,866	216,526	195,364	235,925	384,369	365,650	336,550	337,730	339,419	-49,600	-12.9%	0.5%	0.5%
Property Repairs	88,830	97,095	83,140	168,813	116,879	260,681	357,737	342,625	290,825	282,330	283,747	-62,000	-15.2%	-3.0%	0.5%
Electricity	762,602	873,562	794,712	710,453	1,003,395	1,380,319	1,064,250	1,188,704	1,053,979	1,064,519	1,075,154	-14,725	-1.3%	1.0%	1.0%
Chemicals	235,778	203,977	194,290	222,198	269,697	537,424	570,560	740,500	691,500	692,183	692,888	-4,000	-0.6%	0.1%	0.1%
Maintenance Contracts	221,171	227,607	179,983	210,292	194,961	178,688	248,507	315,355	615,910	648,706	679,041	300,555	95.3%	5.0%	5.0%
Other Contract Services	880,383	659,763	1,034,102	877,596	1,142,559	1,282,756	1,142,559	1,629,844	992,964	995,919	1,000,986	-938,880	-39.2%	0.5%	0.5%
Other Appropriations	2,448,074	2,787,162	3,328,821	2,535,229	3,097,805	3,035,540	3,759,407	4,036,584	4,363,243	4,385,089	4,408,865	326,606	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	2,554,191	2,756,563	2,973,451	3,117,118	3,368,534	216,888	7.9%	4.8%	8.1%
Interfund Transfers - Expenditures	415,495	437,764	1,832,455	2,087,928	4,174,916	6,961,722	2,447,841	0	0	0	0	0	N/A	ND/ND/1	ND/ND/1
Ambulance Charges	1,183,891	1,211,463	1,247,867	1,364,231	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	\$38,642,716	\$40,193,572	\$42,398,842	\$42,418,716	\$45,957,192	\$51,996,395	\$58,378,292	\$59,351,491	\$52,359,779	\$53,641,981	\$55,096,811	\$2,068,279	4.0%	2.4%	2.5%
Surplus (Deficit)	\$2,819,640	\$3,291,089	\$2,239,027	\$1,437,422	\$1,612,233	\$857,115	\$4,331,101	\$0	\$0	-\$907,661	-\$907,196				

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?

