

2020 PRELIMINARY BUDGET

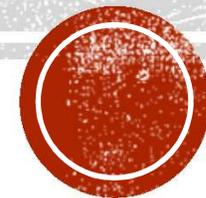
(WITH MULTIYEAR & CAPITAL PLAN)

Delivering Critical Services *with* Fiscal Responsibility

David VanLuven, Town Supervisor

Michael Cohen, Comptroller

Theresa Amodeo, Chief Accountant



October 23, 2019

2019 BUDGET SCHEDULE (FOR 2020 BUDGET)

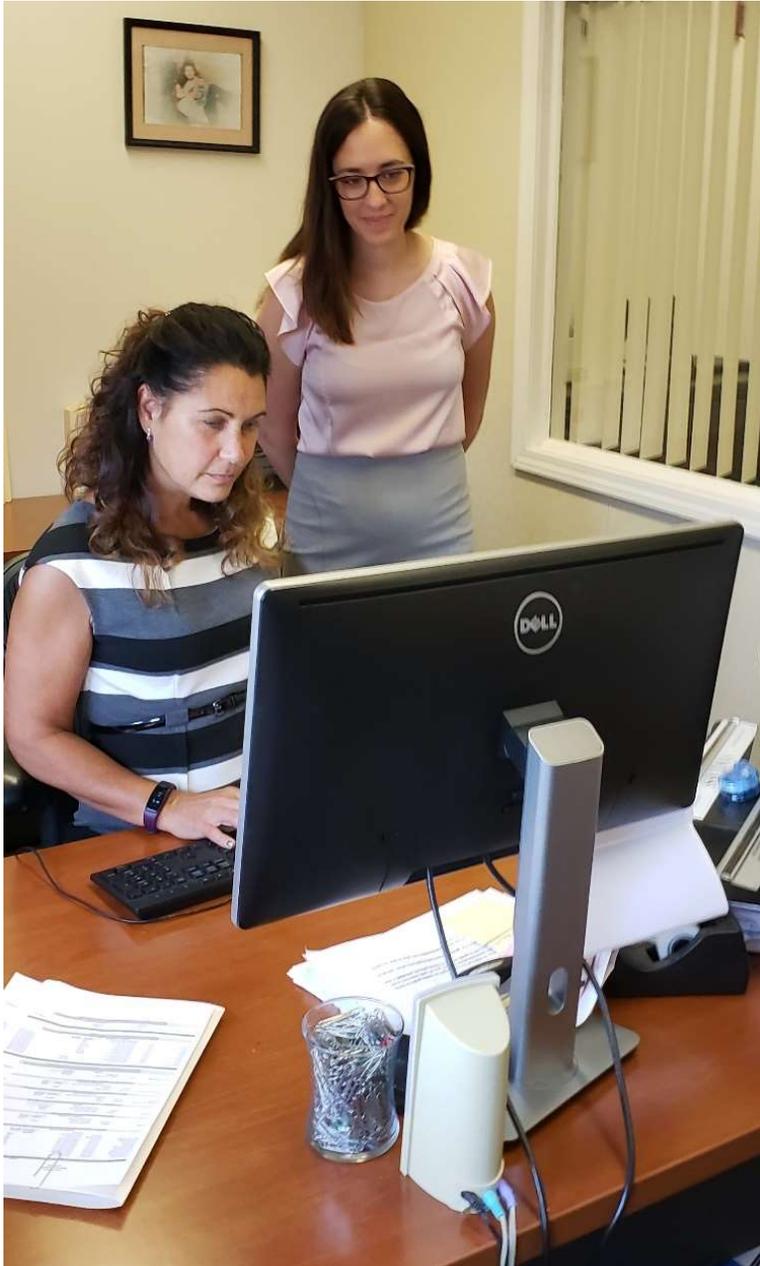
Town Board Meetings & Workshops
Unless otherwise noted all meetings begin at 6:00 pm
Town Board Meetings will be Webcast & Archived

- **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**



BUDGET PROCESS



- **Early June - E-mail distributed to department heads to kick off process**
- **June/July - Department's enter their own budgets**
 - **Comptroller's office:**
 - **Works with departments as requested;**
 - **Determines budgets for departments without department heads (Elections, Cable Administration, Town Board, Legal, Youth Court, etc.);**
 - **Calculates revenues for all accounts through various trending mechanisms with a few exceptions, including Town Clerk, DPW & Parks, who input their own;**
 - **Determines property tax rates for all funds**
- **End of July - Direct access to budgets, outside Comptroller's Office, are cut off**
- **August - Comptroller's office reviews for anomalies and large changes and assesses revenues against expenditures to determine reasonableness**
- **End of August – Town Board meets with department heads to discuss items of interest**



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
- Only 4 more years until the expiration of the 20 year Albany Water Contract



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** (since 2014)



- 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 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%



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)¹
- 9W Roundabout: \$969K
(Highway Fund = \$49K/yr)¹
- Clapper Road WTP Upgrades: \$15.3M
(Water Fund = \$774K/yr)^{1,2}

Paying @ 2.945% (NIC)

¹ Serial Bond debt service varies slightly on an annual basis.

² 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.

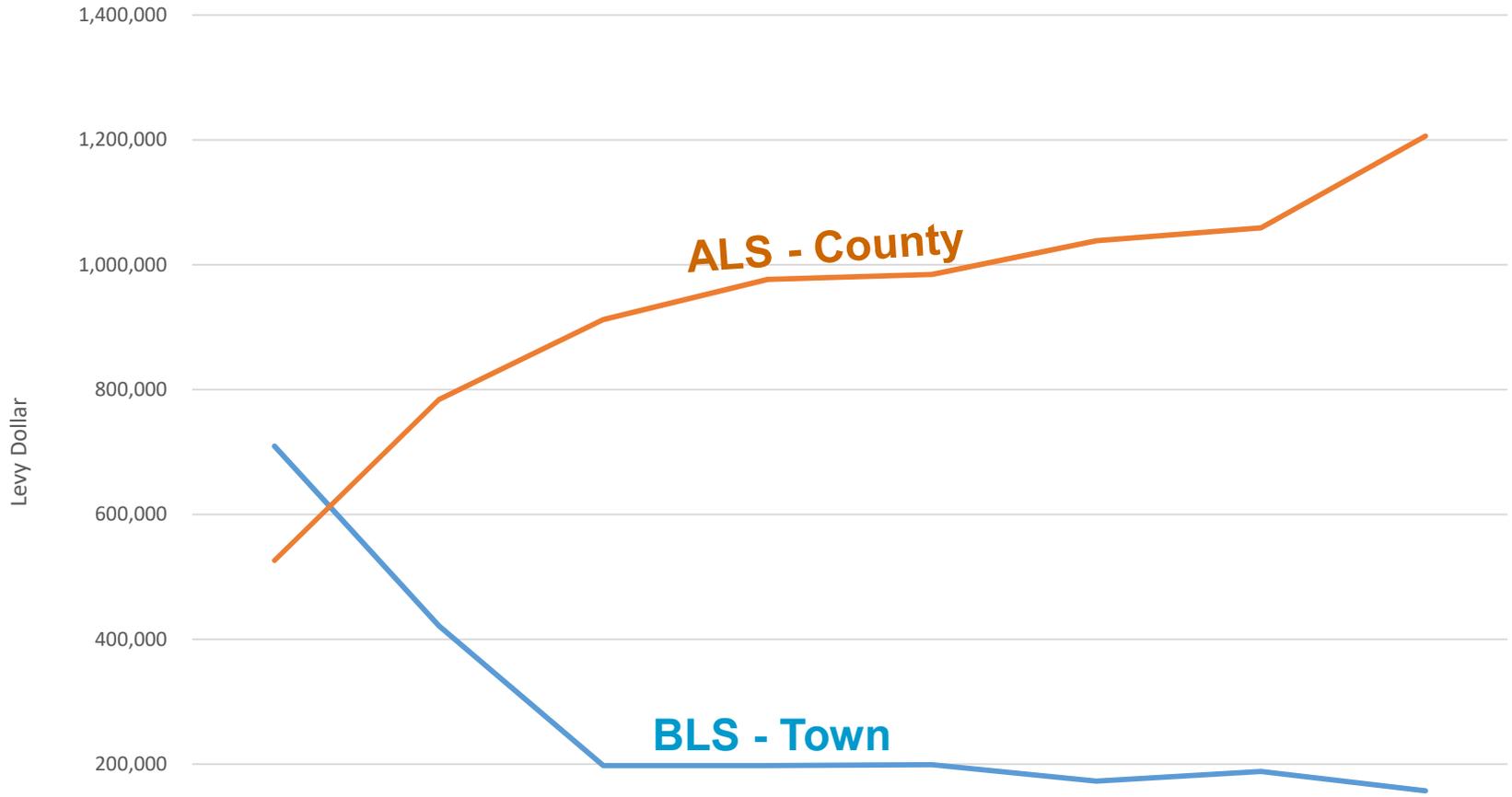
Plan to Pay for Debt Service on Clapper Road

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

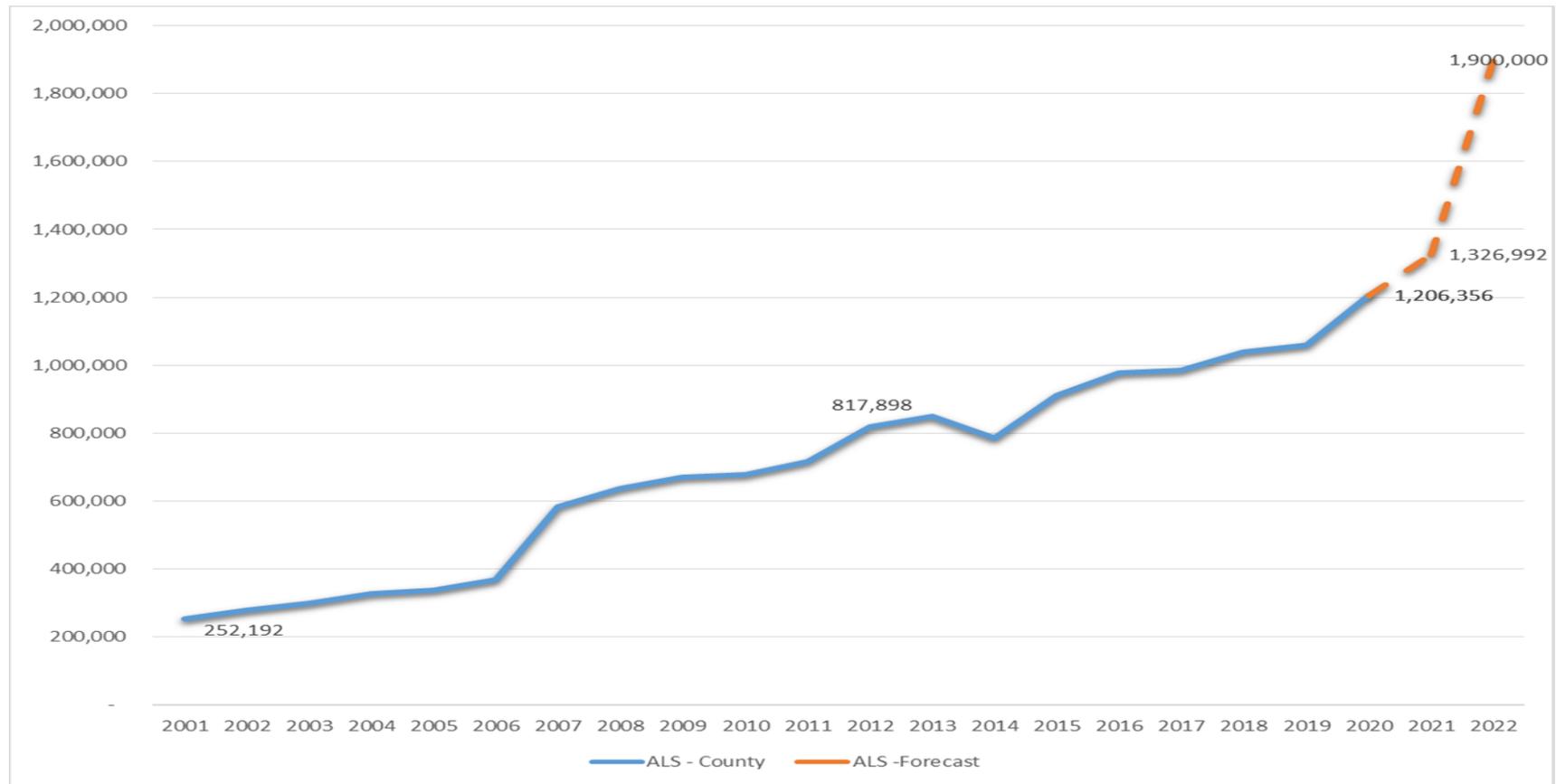
Emergency Medical Service Property Tax Levy 2013 through 2020



	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

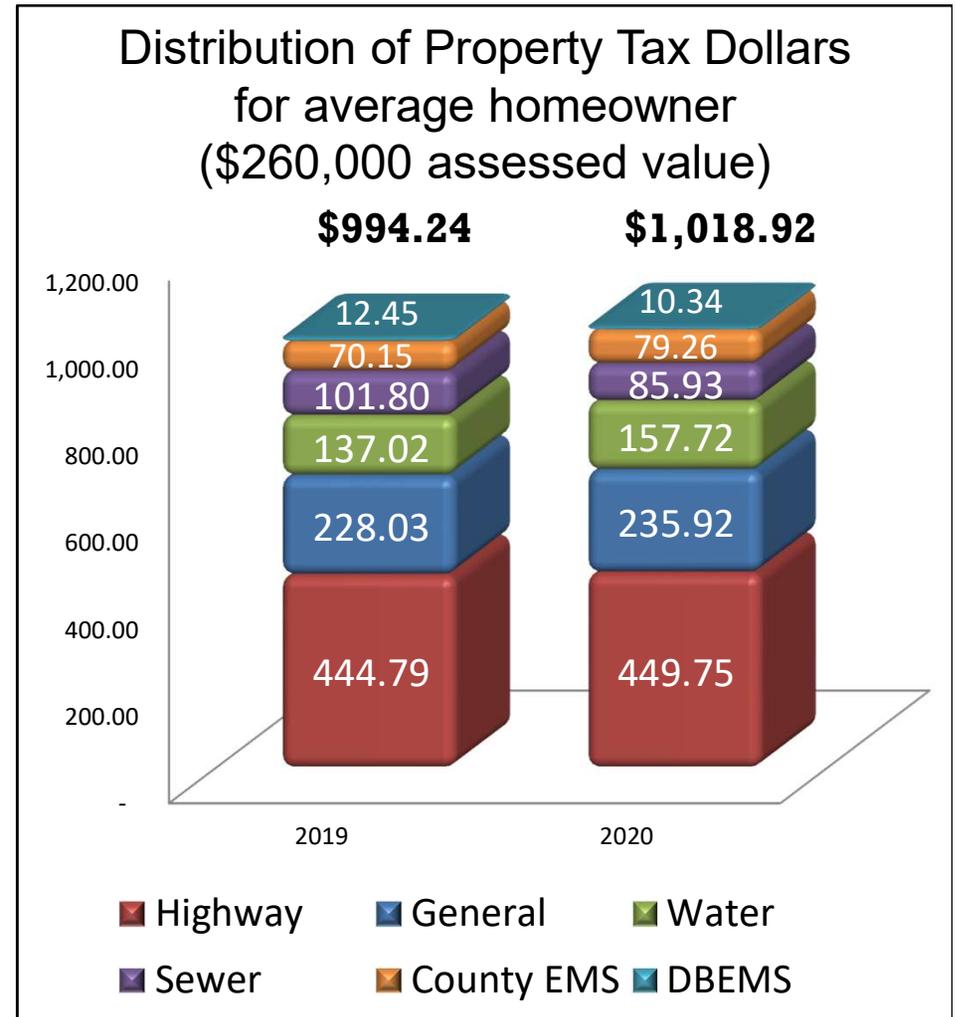


- From program inception until 2012 (the implementation of the tax cap) the County cost has increased 11.9% annually
- From 2012 through 2020, the County has averaged increases of 6.2% annually; with forecasted levels, the change jumps to 9.9% annually
 - The Town has averaged levy increases of 1.92% during this period



TAXPAYER IMPACT

- State Growth Factor 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 for average home (\$260K assessed value)**
 - For homes located in all taxing districts



Below Tax Cap, Again



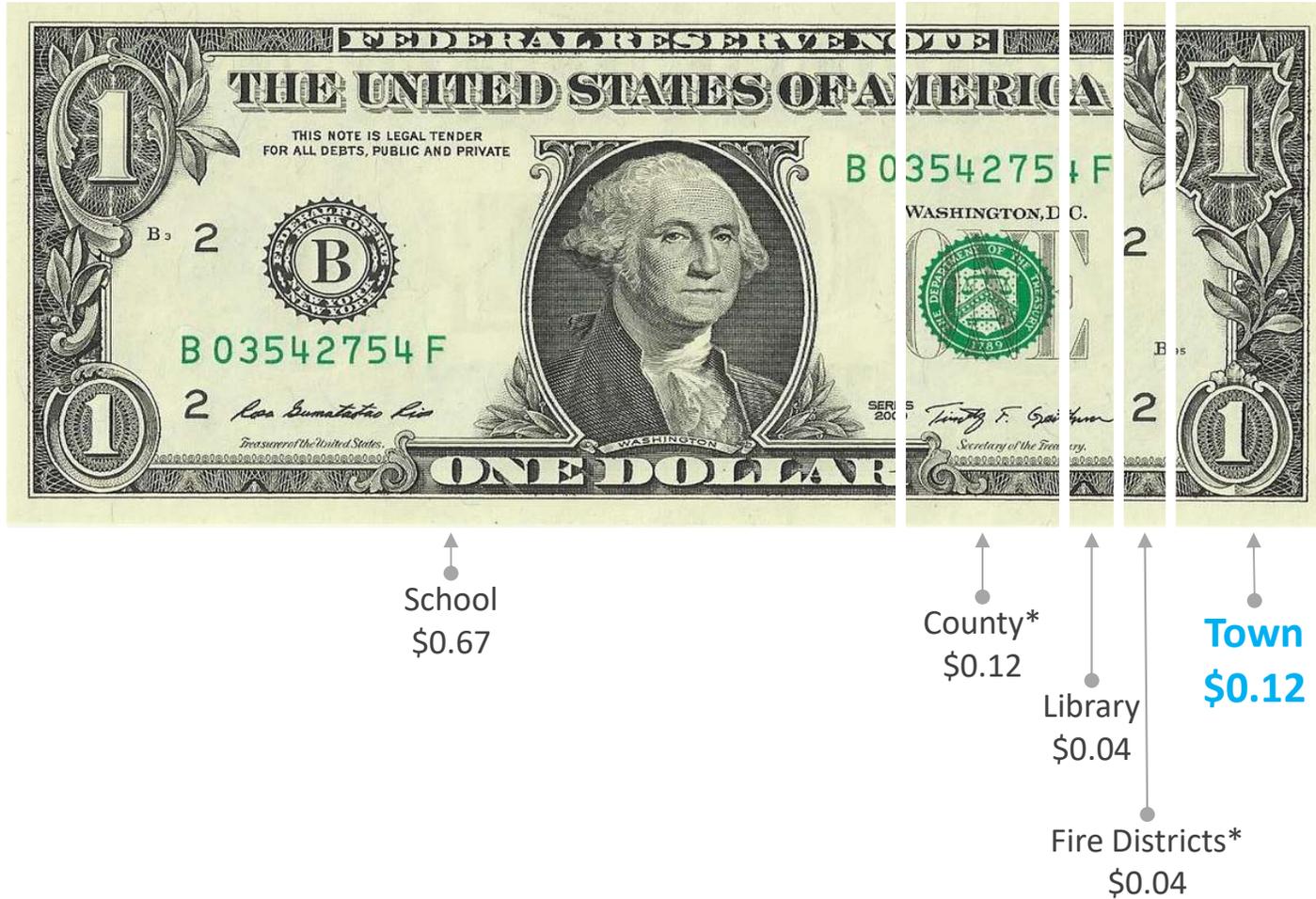
Having not maximized the tax levy under the tax cap, residents have saved **\$10.1M** in property taxes since inception

Year	Tax Cap %	Growth Factor	Pension Exclusion	Maximum Levy Increase	Tax Levy Change	Avg. Tax Rate Change
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%



TAXPAYER IMPACT

COST PER DOLLAR OF TOTAL PROPERTY TAX



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



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/(Deficit)	(\$335,733)	(\$528,657)
Fund Balance Percentage	14.1%	11.1%



QUESTIONS?

