

Town of Kent
Town Board Meeting
November 1, 2022

Workshop/Meeting 7pm

1. Pledge of Allegiance
2. Roll Call
3. Discussion and/or Vote on the following:
 - a. Preliminary Budget Presentation
4. Vouchers
5. Announcement
6. Public Comment

Overview of 2023 Preliminary Budget

Taxes

There is a 2.5% tax increase proposed in the town-wide 2023 Preliminary Budget.

There is a 2.5% increase in Lake Carmel Sanitation District due to increasing costs of recycling, 0.25% increase in Lake Carmel Fire District, 3.68% decrease for Kent Fire District, 2.5% increase in Lake Carmel Park District, 6.1% increase in Water District and 11.11% increase in Lake Tibet Park District, as agreed upon by the residents of that district.

Town Retirement Contributions

For NYS fiscal year ending March 31, 2023 New York State Retirement contribution rates for ERS and PFRS actually decreased and increased approximately 20% and 3%, respectively. This decrease was not originally anticipated, so it was used to offset other budgetary increases.

The projected state fiscal year ending March 31, 2024 ERS and PFRS rates are going to increase approximately 15% and 4% for ERS and PFRS respectively.

Health Insurance Contributions

As health insurance costs continue to increase putting tremendous strain on the budget, the Town estimated a NYSHIP increase of 3% in the 2023 Preliminary Budget. However, NYSHIP has not given us any indication on what the increase might be. Health insurance contributions have increased 26% over the last 7 years or \$600,000.

Utilities

Fuel and electricity costs continue to rise. Over the last 7 years electrical and fuel expenditures have increase 47% and 200%, respectively. With most increases being in the last two years.

Salary Increases

The 2023 Preliminary Budget has modest salary increases for non-union personnel. All of the Town's union contracts are currently under negotiations and as a result the 2023 Preliminary budget includes a contingency for probable negotiated increases.

General Fund

	ORIGINAL BUDGET 2022	TENTATIVE STAGE 2023	PRELIMINARY STAGE 2023	VARIANCE to 2022
Revenue				
Taxes	\$ 7,921,797	\$ 8,119,842	\$ 8,119,842	\$ 198,045
Other Income	\$ 2,716,762	\$ 3,047,360	\$ 3,047,360	\$ 330,598
Total	\$ 10,638,559	\$ 11,167,202	\$ 11,167,202	\$ 528,643
Expense				
Personnel	\$ 4,574,197	\$ 4,801,641	\$ 4,803,894	\$ 229,697
Benefits	\$ 2,710,409	\$ 2,845,304	\$ 2,845,684	\$ 135,275
Equipment	\$ 95,971	\$ 156,221	\$ 156,221	\$ 60,250
Contractual	\$ 2,838,423	\$ 2,964,036	\$ 2,980,036	\$ 141,613
Bonds/Interest	\$ 267,800	\$ -	\$ -	\$ (267,800)
Transfer Capital	\$ -	\$ -	\$ -	\$ -
Transfer to other funds	\$ 200,000	\$ 700,000	\$ 700,000	\$ 500,000
Total	\$ 10,686,800	\$ 11,467,202	\$ 11,485,835	\$ 799,035
Fund Balance	\$ 48,241	\$ 300,000	\$ 318,633	\$ (270,392)

General Fund Revenue

The 2022 Town Preliminary budget includes a tax levy increase of 2.5%. It also includes an increase in estimated revenues and use of fund balance. The increase in the tax levy was necessary due to the increase in expenditures described in the following section.

General Fund Expenses

All general fund department heads were asked to review and submit budgets. After careful review and analysis of the departmental requests and current year projections, the General Fund appropriations were anticipated to increase by almost \$800,000 when compared to the 2022 Adopted budget. The increases as broken up in the above chart represent the 1) transfer to other funds to cover in part the debt service costs for the 2021 bond; 2) personnel costs to cover anticipated increases in union salaries as well as modest increases in non-union salaries; 3) related increases in benefits and 4) contractual expenses due to the rising costs of health insurance, fuel, electricity and other expenditures necessary to run municipal operations of the Town.

General Fund Balance

In 2020, the General Fund added approximately \$100,000 of its total fund balance, whereas it was anticipated to use \$528,705. At the end of 2021 the total General Fund fund balance represented 47% of total General Fund appropriations. The Town anticipates to finish the current year by using approximately \$50,000 of fund balance, as budgeted. In 2023, the budget reflects the expenditures which call for the use of fund balance in the amount of \$318,633, all of which will be transferred to the Highway Fund to help offset debt service requirements. The Town proposes a 2.5% increase in the tax levy. This increase keeps the Town total tax levy within the state mandated tax cap.

Highway Fund

	ORIGINAL BUDGET 2022	TENTATIVE STAGE 2023	PRELIMINARY STAGE 2023	VARIANCE to ORIGINAL 2022
Revenue				
Taxes	\$ 3,570,420	\$ 3,659,681	\$ 3,659,681	\$ 89,261
Other Income	\$ 61,880	\$ 61,880	\$ 61,880	\$ -
Transfer from General Fund	\$ 200,000	\$ 700,000	\$ 700,000	\$ 500,000
Total	\$ 3,832,300	\$ 4,421,561	\$ 4,421,561	\$ 589,261
Expense				
Personnel	\$ 1,680,329	\$ 1,771,999	\$ 1,771,999	\$ 91,670
Benefits	\$ 1,057,751	\$ 1,119,952	\$ 1,119,952	\$ 62,201
Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Contractual	\$ 916,334	\$ 921,084	\$ 921,084	\$ 4,750
Debt/P&I	\$ 444,832	\$ 699,353	\$ 699,353	\$ 254,521
Total	\$ 4,109,246	\$ 4,522,388	\$ 4,522,388	\$ 413,142
Fund Balance	\$ 276,946	\$ 100,827	\$ 100,827	\$ (176,119)

Expenses

The Highway Fund Preliminary budget for 2023 includes a \$413,142 increase in appropriations. This is attributed to new debt service requirements related to a bond issued in 2021 for reconstruction of the highway garage, equipment purchases and road improvements. The equipment purchases are budgeted at only \$10,000 in the operating budget. Personnel service costs reflect a higher budget than 2021, partially based on contractual salary increases and a history of snow clean-up costs. Benefits expenditures are expected to increase in part due to rising health insurance and legacy costs.

Fund Balance

\$700,000 of transfer from General Fund in the 2023 Preliminary Budget is being used to offset the financing costs for 2021 bond principal and interest of \$699,389. At the time of the Preliminary Budget preparation the Town anticipates that the Highway fund will finish the current year using all of the 2022 fund balance as budgeted.