

# **TOWN OF CARMEL**

## **2016 Tentative Budget**

# Tax Levy vs. Tax Rate

- **Property Tax Levy** is the total amount of money to be raised by taxes to cover the cost of providing services to the public.
- The annual levy is calculated by taking the Town's total annual expenditures less any revenues and/or appropriated fund balance equity.  
Expenditures  
- Revenues  
+(-) Appropriated Fund Balance  
= Property Tax Levy

# Tax Levy vs. Tax Rate

- The **annual Tax Rate** is determined by dividing the total amount of the **property tax levy** by the total **taxable assessed value** of a town or special district.

$$\text{Property Tax Levy} / \text{Taxable Assessed Value} \\ = \text{Annual Tax Rate}$$

- The ***taxable assessed value*** is determined annually by the Town Assessor.
- The town wide *taxable assessed value* used for the 2016 Budget is 2,643,264,778, a **decrease** of approx. \$803,584 from the 2015 taxable assessed value. A **decrease** in the assessed value will result in an increase in the tax rate.

# Tax Levy vs. Tax Rate

## 2016 Tentative Budget – Townwide (General/Highway)

### Tax Levy

Expenditures	\$26,443,488
(Revenues)	(4,834,560)
Fund Balances - Reserves	<u>+ 200,000</u>
<b>Property Tax Levy</b>	<b>\$21,808,928</b>

### Tax Rate

Property Tax Levy	\$21,808,928/
Taxable Assessed Value	<u>2,643,264,778</u>
<b>Tax Rate</b>	<b>8.25</b>

**\* 2016 Annual Tax Rate Increase 2.6%**

*\* Represents tax % increase on rate from prior year*

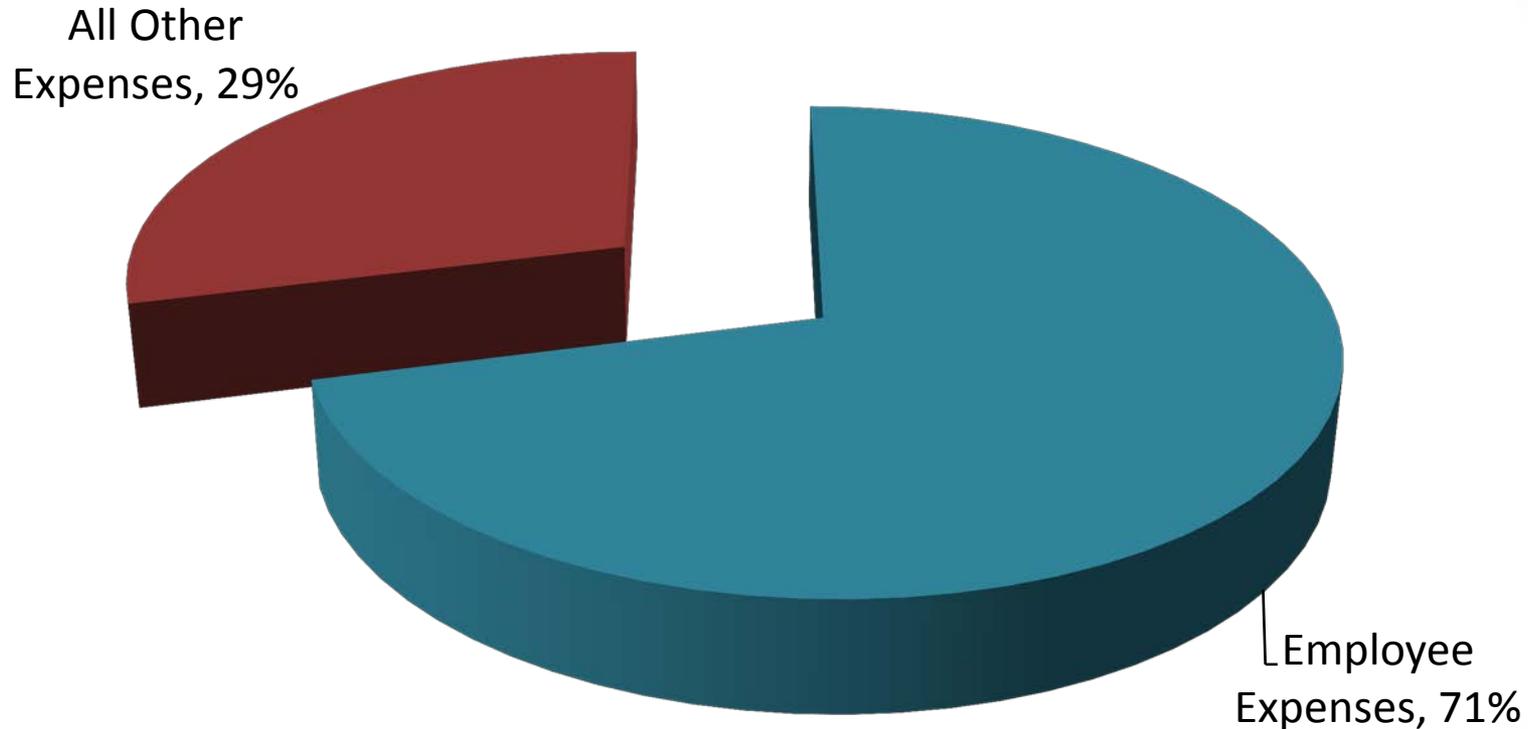
# Total Tax Levy Decrease

- For the 2016 Budget the ***Allowable Tax Levy Growth*** imposed by New York State Comptroller's Office is 0.73%.
- For the Town of Carmel (Townwide and Special Districts) this equates to a ***Maximum Allowable Tax Levy*** increase of \$352,646.
- In the 2016 Tentative Budget there is an ***Overall Tax Levy Decrease*** from the 2015 Adopted Levy:
  - \* Townwide (Gen/Hwy) Levy Increase: \$551,303
  - \* Special District Levy Decrease: (\$945,986) - \* Due to CSD #2 Retired Capital Debt
  - \* Total 2016 Tentative Levy Decrease: (\$394,683)
- The 2016 Tentative Budget the total Tax Levy is ***under the Tax Cap*** by - (\$747,329). Allowable Increase (\$352,646) – Actual Decrease (\$394,683) = (\$747,329)

# 2016 Tentative Budget

- **Townwide (General/Highway)** - the average homeowner (assessed at \$204,940) would pay approximately \$1,691 per year (an increase of \$43) from the prior year. It is noted that this assessed valuation reflects the current equalization rate of 60.00%
- Approximately \$18,728,242 is budgeted in 2016 for **Employee Compensation & Benefit Costs**. This represents approximately 70.8% of total expenditures in the Townwide 2016 Tentative Budget.

# General & Highway Expenditures by Type



**\*\* Employee expenses include Salary, Pension Costs, Health Benefit Costs, Workers Compensation, FICA/Medicare/MTA Tax**

# BUDGET DRIVERS/HIGHLIGHTS

- **Employee Benefits:**

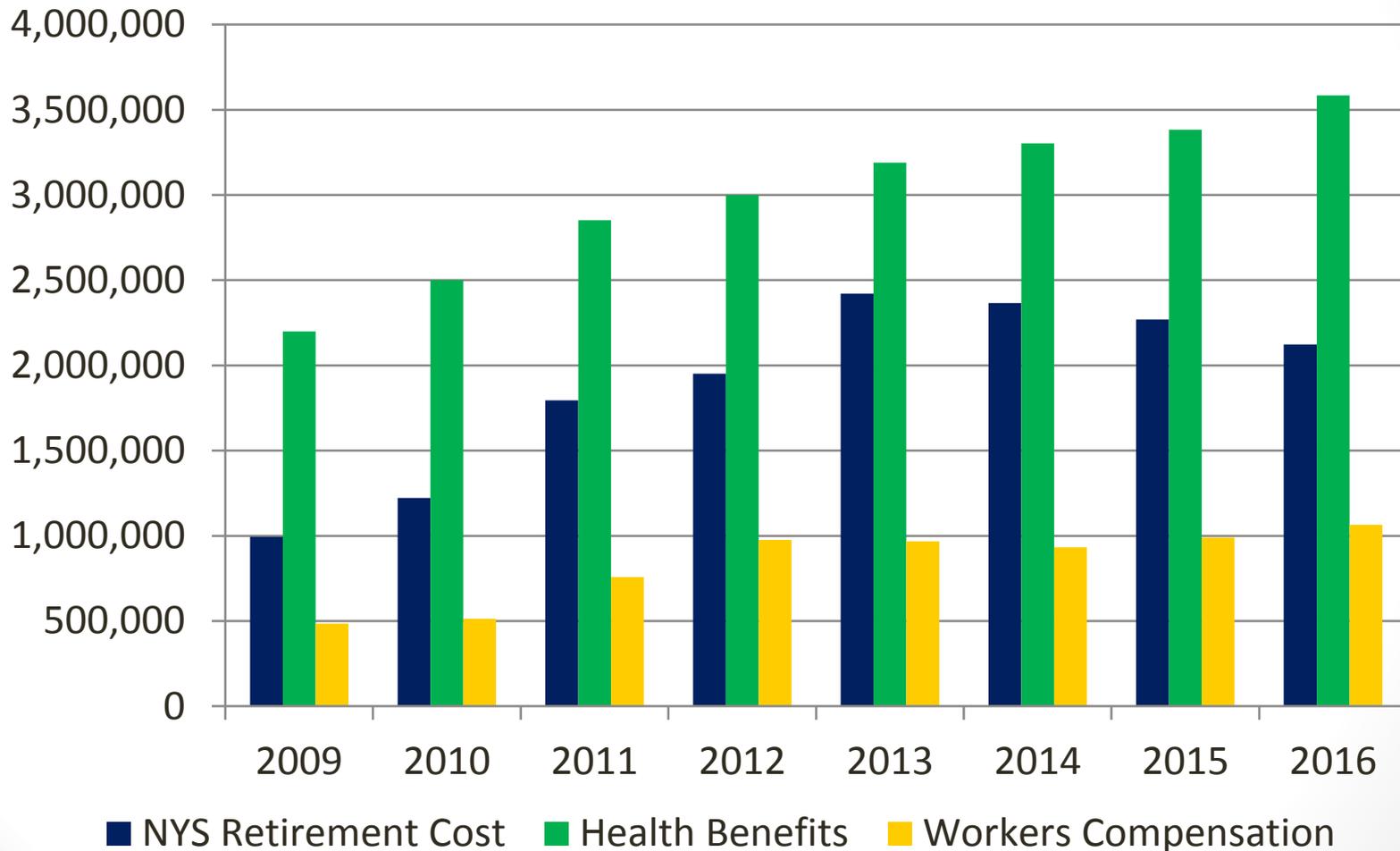
- \* Health Insurance Costs continue to increase...currently budgeted at 8.8% increase.
- \* Pension Contributions decreased slightly (ERS 15.9%, PFRS 24.7% of salary)
- \* Workers Comp Rates is estimated to increase 6.5% above the 2015 actual numbers.

- **Negotiations ongoing** with unions IBT - expired 2011, CSEA/PBA - expired 2012. Continue to budget salary increases for all expired contracts.
- **Mortgage Tax Revenue** for FY 2015 is showing signs of improvement. Jan – August 2015 with August monthly revenue at \$103,645. Mortgage Tax Revenue for FY 2014 was a record low at \$682,000. Mortgage Tax Revenue in 2016 Tentative Budget is \$700,000.
- **Highway Fund** - Snow Materials (salt) increased 46% over the last two years. \$700,000 is budgeted in the 2016 Budget, and increase of \$50,000.
- **New Debt Service** – 2016 New Debt Payments from Highway Drainage/Resurfacing/Machinery Capital Borrowings from prior years.
- **New Capital Debt CSD #1 of \$1.1 million** (*Downtown Business District - Mahopac*). Required interest payments on debt will begin October 2016.
- **CWD #1** (*Downtown Business District - Mahopac*) will also see a special district tax increase due to numerous recent emergency repairs resulting in an operating deficit in that district.

# BUDGET DRIVERS/HIGHLIGHTS

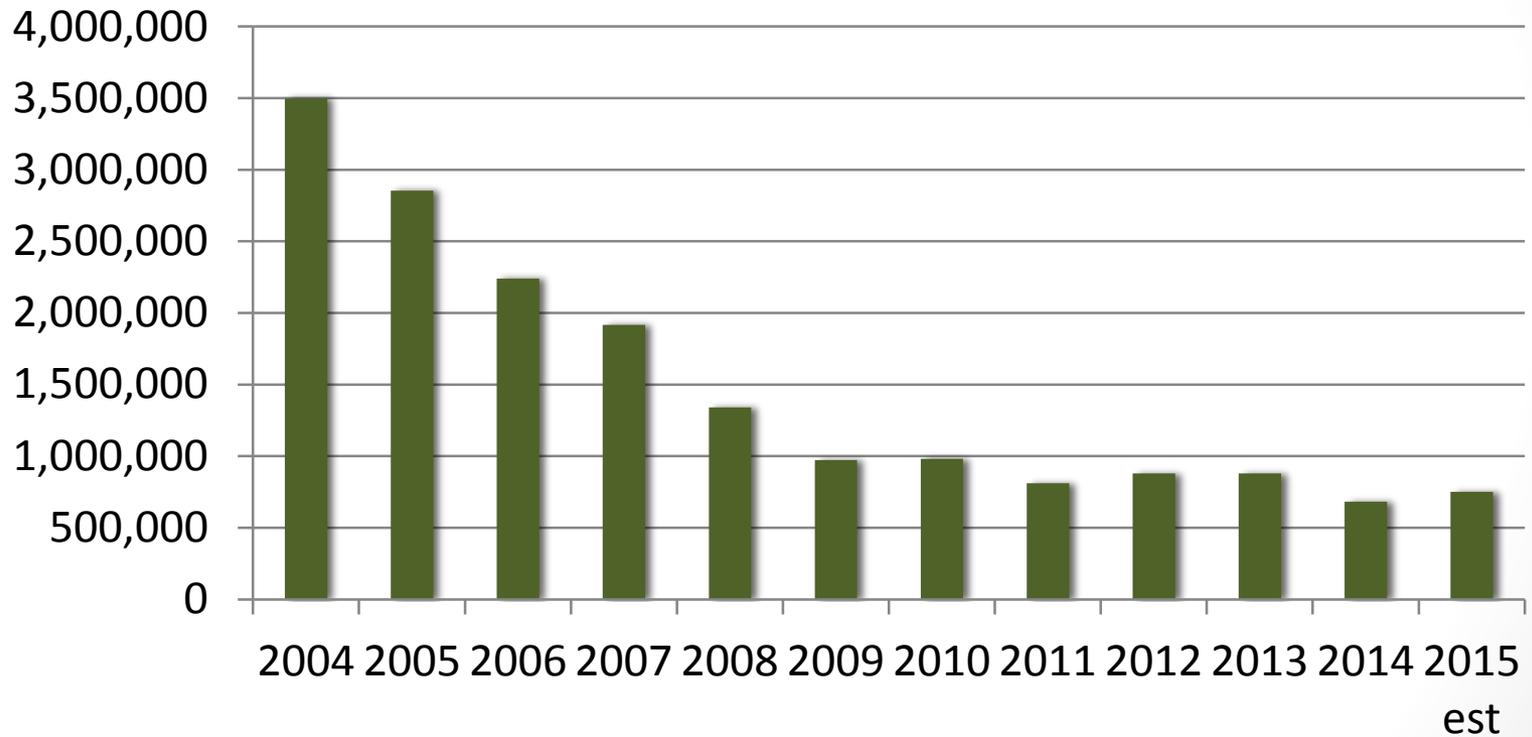
- **Retired CSD #2 Capital Debt** – Capital Debt will be satisfied in November 2015 lowering the 2016 Special District Levy by approximately \$1,000,000. CSD #2 taxpayers have been paying this debt for the last 30-40 years. Taxpayers in this district will see a decrease in their 2016 Sewer #2a Capital Tax.
- **New Capital Debt “Long Pond Road Improvement District”** – Taxpayers in this new district will begin paying interest on this capital debt in 2016
- **Capital Machinery/Equipment** - Budgeted \$150,000 in 2015 Budget, \$150,000 in 2016 Tentative Budget in an attempt to avoid capital borrowings for Highway Machinery.
- **Townwide Reassessment Project** – Budgeted \$150,000 in 2014, 2015 and 2016 Tentative Budget. We also have approximately \$500,000 in reserves to fund this project also in an attempt to avoid borrowing.
- **Highway Snow Reserve Fund Balance \$350,000**. At FYE 2014 the Town added \$150,000 to this reserve bringing the balance to \$500,000. However in February 2015 a transfer of \$150,000 was necessary for snow removal and employee overtime costs.
- **Technology upgrades** - \$33,000 is budgeted in the 2016 for technology upgrades. We also have established a fund for a future purchase of *data imaging equipment*.
- **Unfunded State/Federal Mandates** MTA Mobility Tax, MS4 Federal Clean Water Act / Mandatory Regs

# Employee Benefits Cost Increases 2009-2016



# Mortgage Tax Revenue History

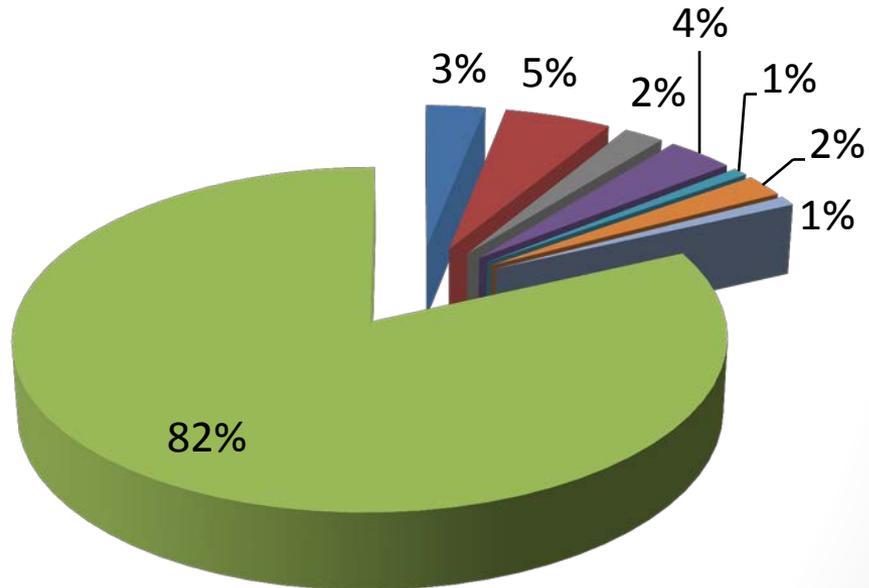
Years 2004-2015



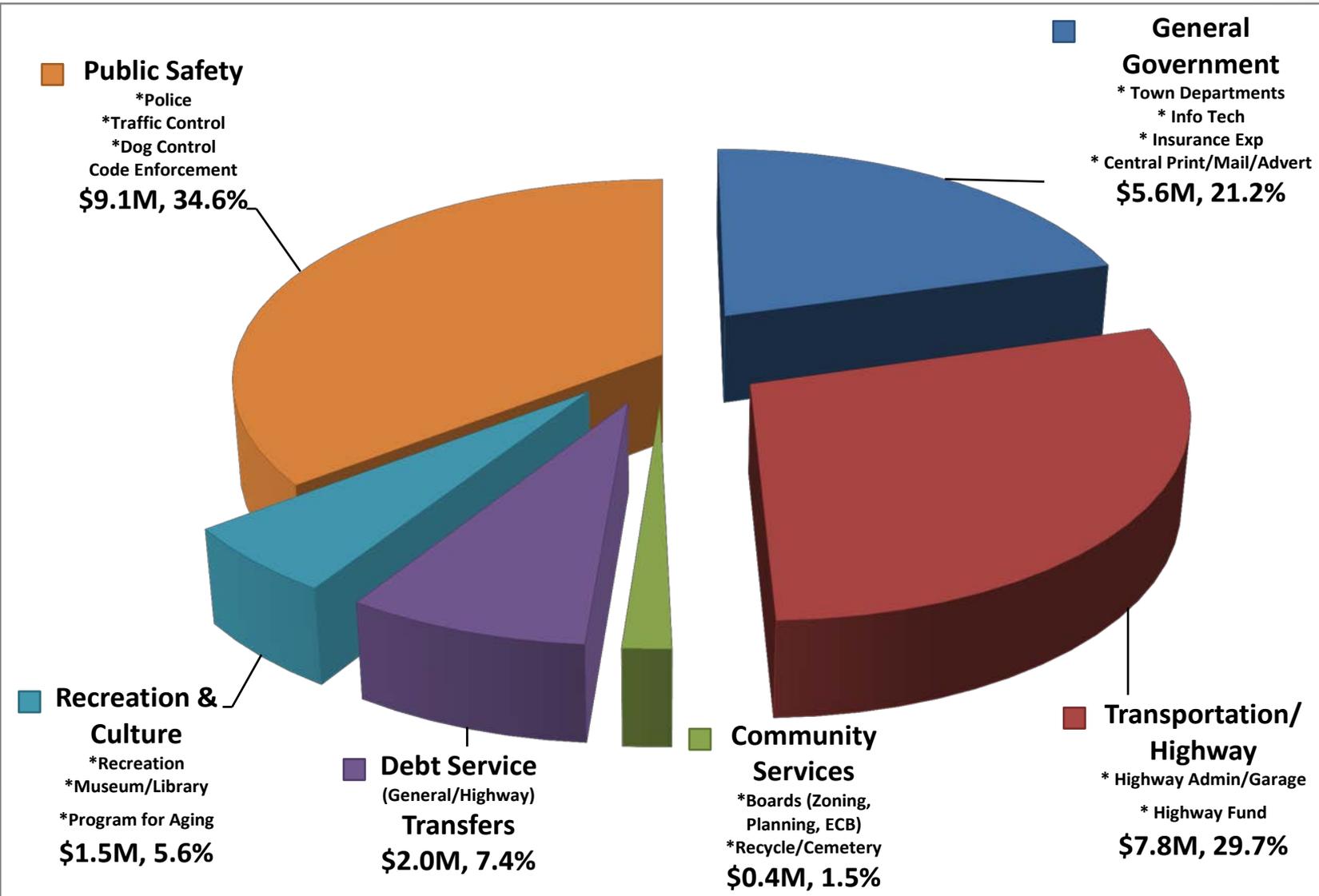
# Carmel Townwide Budgeted Revenues for Fiscal Year 2016

**2016 Budgeted Revenues \$26,643,488**

- Real/Non-Property Tax Items
- State Aid
- Departmental Income
- Inter Govt Service Fees/Revenue
- Use of Money/Property
- Licenses/Permits/Court Fees & Fines
- Transfers
- Property Taxes

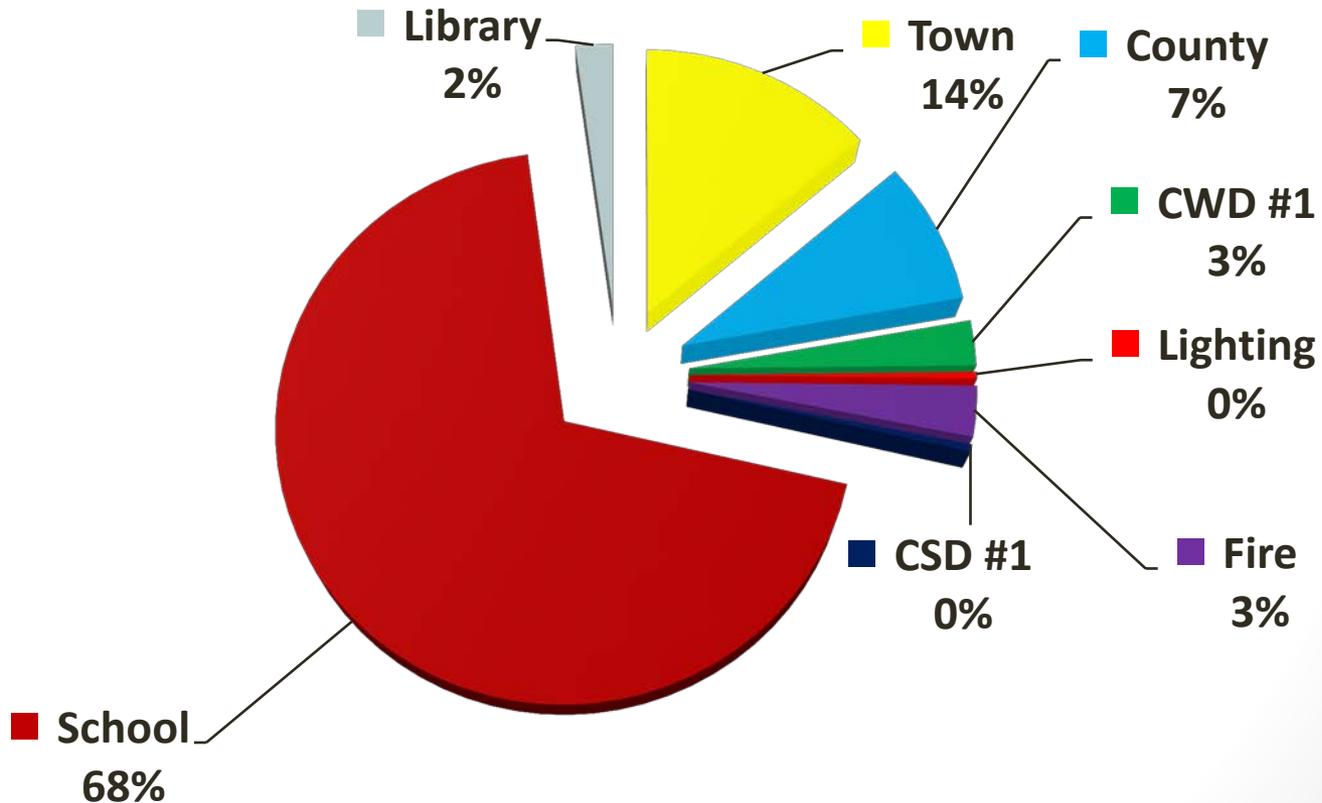


# Total 2016 Appropriations by Fund \$26,643,488



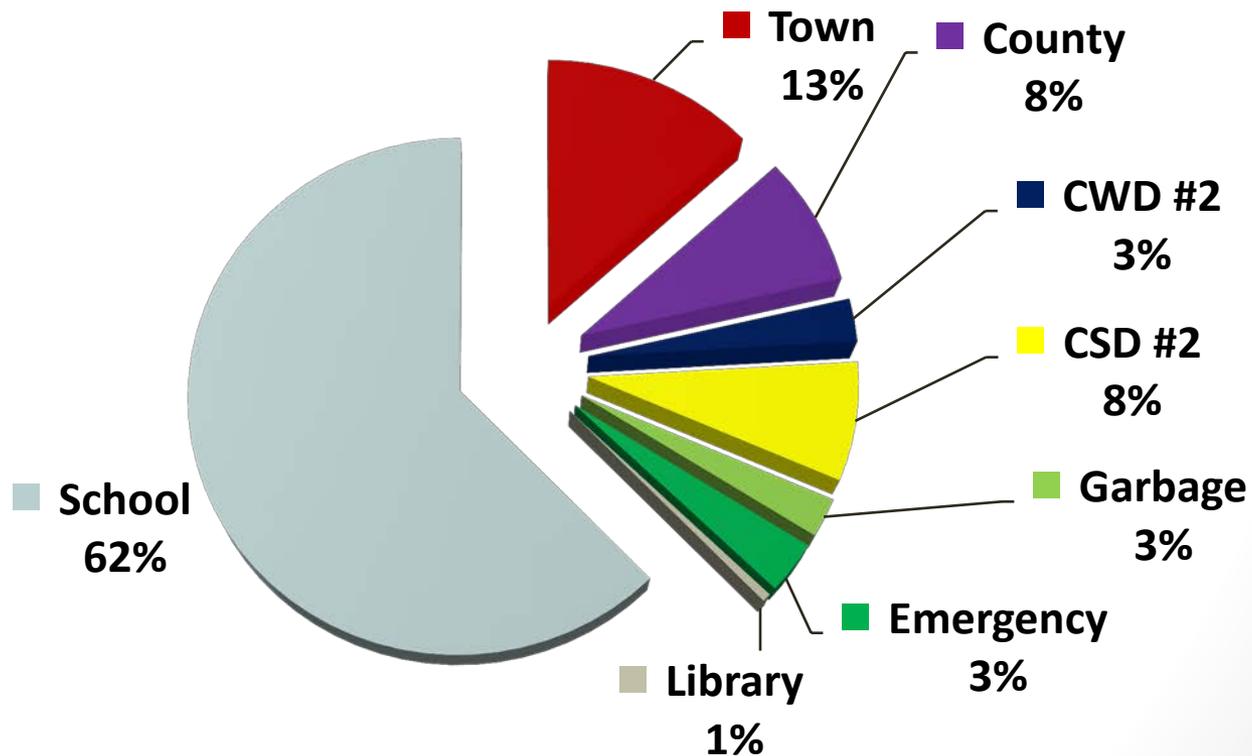
# Total Tax Bill for Taxpayer in Mahopac Central School District

Total Tax Bill of a \$266,300 Assessed Value;  
Total 2015 Taxes – \$15,594



# Total Tax Bill for Taxpayer in Carmel Central School District

Total Tax Bill of a \$173,100 Assessed Value;  
Total 2015 Taxes – \$10,521



# Questions/Answers

- If anyone has any questions or concerns regarding the 2016 budget or clarification on the difference between the tax levy vs. the tax rate please feel free to stop by the Comptroller's Office or call at (845) 628-1500 ext 175.

*Mary Ann Maxwell*

Town Comptroller

Town of Carmel