

TOWN OF CARMEL 2017 TENTATIVE BUDGET



A LOOK *at the* BUDGET

NYS Property Tax Cap

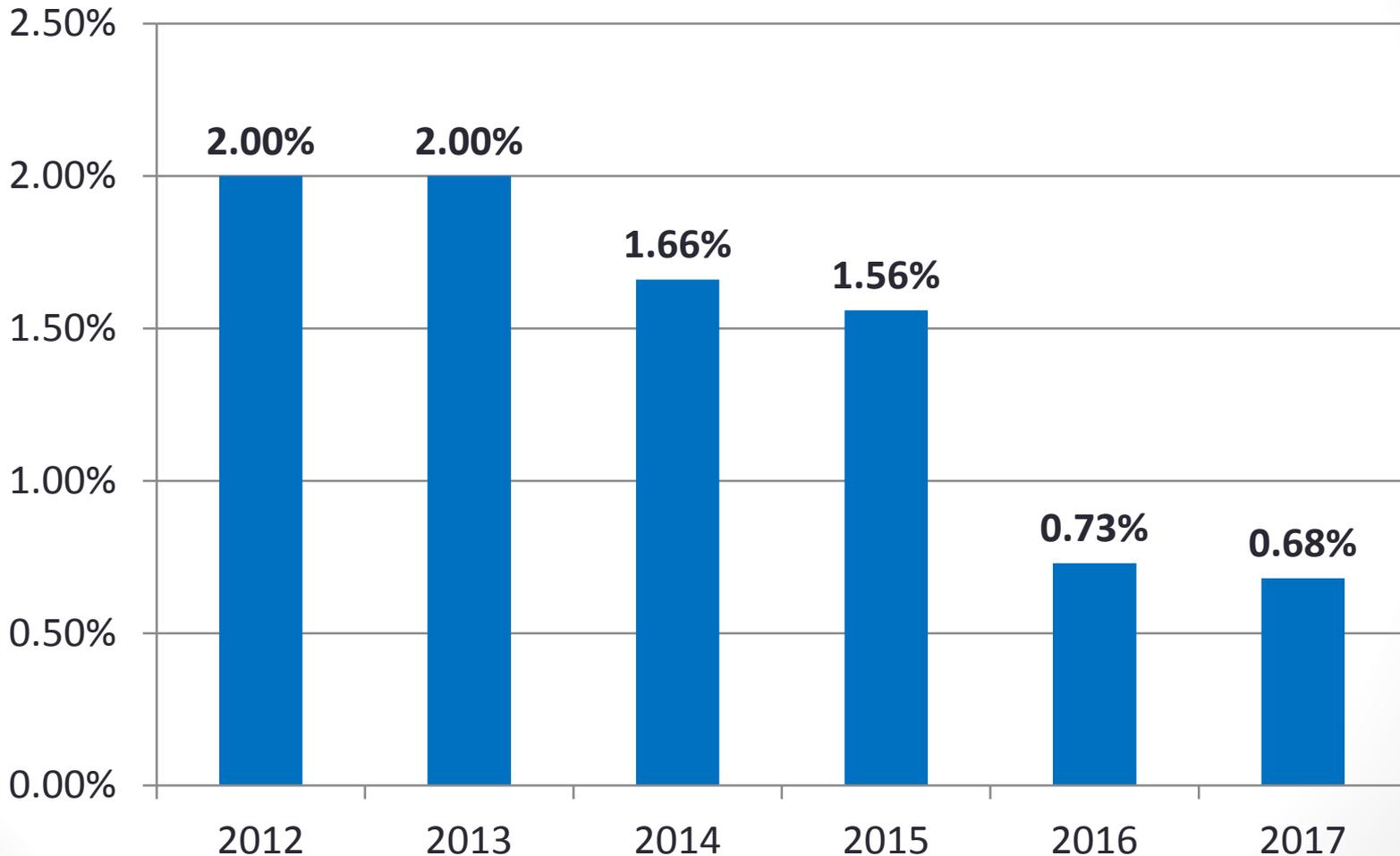
- In 2011 the NYS Office of State Comptroller established the 2% Real Property Tax Cap Law.
- With some exceptions, this law limits the amount local governments and school districts can increase property taxes by the lesser of:
 - 2 percent; or
 - the rate of inflation.

Tax Levy

- For the 2017 Budget the ***Allowable Tax Levy Growth*** imposed by NYS Comptroller's Office is 0.68% which is the current rate of inflation.
- For the Town of Carmel (Townwide and Special Districts) this equates to a ***Maximum Allowable Tax Levy*** increase of \$348,766.

NYS 2.0% Property Tax Cap

Maximum Allowable Tax Levy



Total Tax Levy Increase

- Due to a Retired Capital Debt the Town of Carmel also has an Available Carryover from 2016 to 2017 of \$527,503.
- Therefore the total ***Maximum Allowable 2017 Tax Levy increase*** (Townwide/Special Districts) including the carryover is **\$876,269**

Maximum Allowable Levy	\$348,766
Available Carryover	<u>\$527,503</u>
Total Allowable Tax Levy Increase	\$876,269

Total Tax Levy Increase

- In the 2017 Tentative Budget there is an Overall Tax Levy Increase from the 2016 Adopted Levy:

* 2017 Tentative Levy Increase: **\$353,036**

- Tentative 2017 Budget is under the Tax Cap by \$523,233
(876,269 – 353,036 = 523,233)
- In part due to good financial planning and an available carryover from a retired capital debt the Town of Carmel is able to stay under the Tap Cap in the 2017 Tentative Budget.

Tax Levy

- Property Tax 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 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 town wide *taxable assessed value* used for the 2017 Tentative Budget is 2,639,681,243, a **decrease** of approx. \$3,370,198 from the prior year taxable assessed value. This reduction is due in part to certiorari litigation settlements and other property assessment challenges in the prior year.
- A **decrease** in the assessed value will result in an **increase** in the tax rate.

Tax Levy vs. Tax Rate

2017 Tentative Budget – Townwide (General/Highway)

Tax Levy

Expenditures	\$27,150,382
(Revenues)	(5,252,060)
Fund Balances - Reserves	<u>+ 150,000</u>
Property Tax Levy	\$22,048,322

Tax Rate

Property Tax Levy	\$22,048,322/
Taxable Assessed Value	<u>2,639,681,243</u>
Tax Rate	8.35

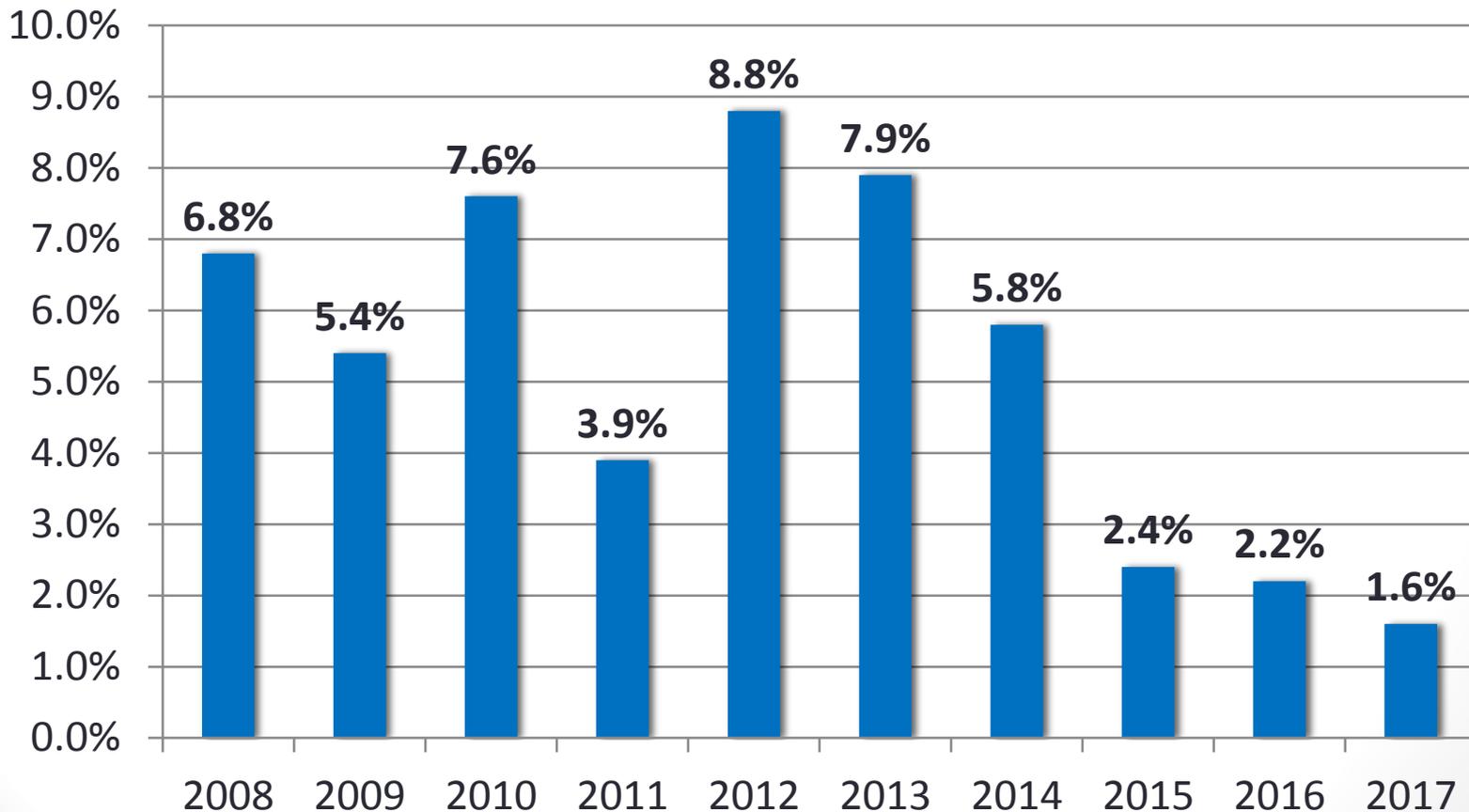
*** 2017 Annual Tax Rate Increase 1.6%**

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

Tax Rate Annual Increase

Townwide (General/Highway) – 10 Year History

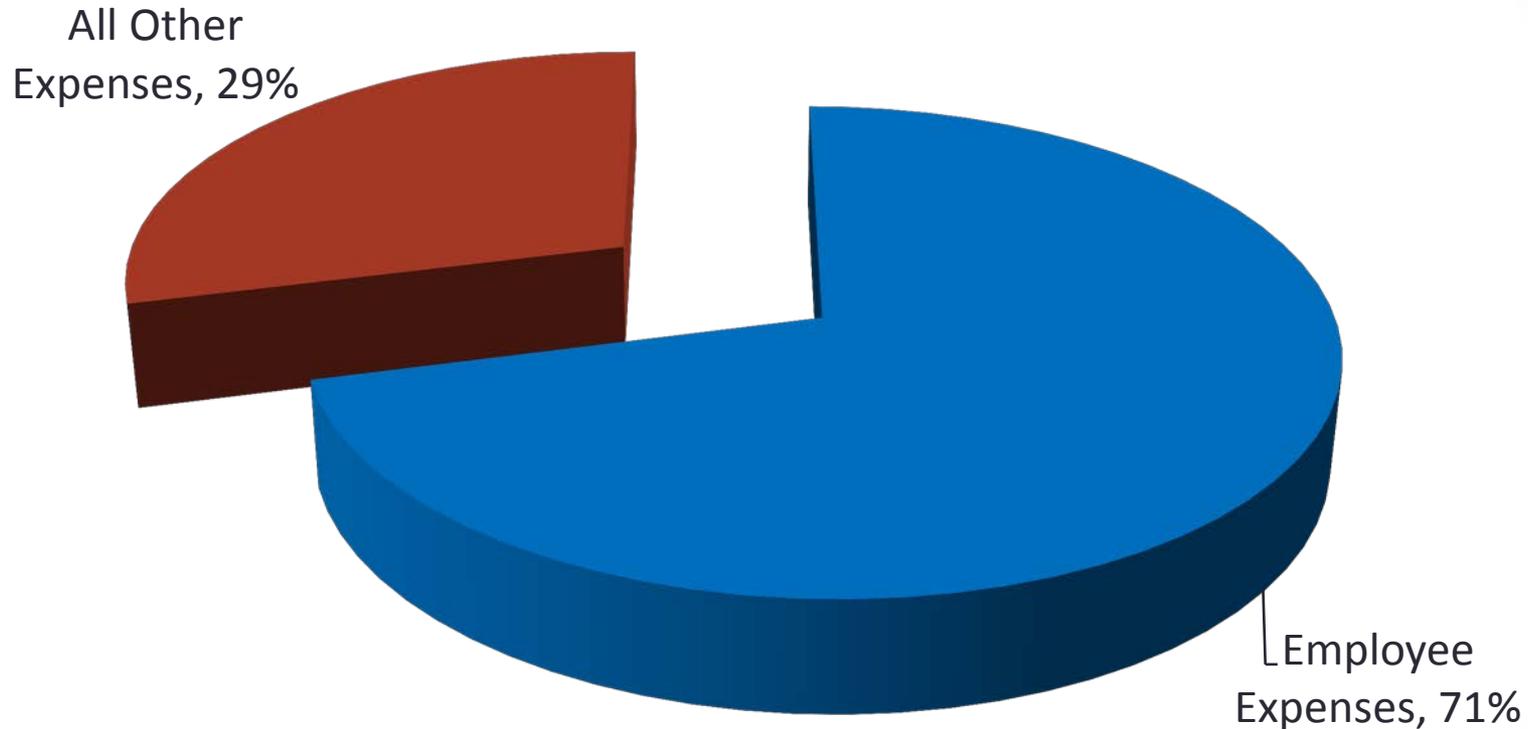
Years 2008-2017



2017 Tentative Budget

- **Townwide (General/Highway)** - the average homeowner (assessed at \$204,940) would pay approximately \$1,711 per year (an increase of \$26) from the prior year. It is noted that this assessed valuation reflects the current equalization rate of 59.00%
- Of the \$27.1 million in Townwide Expenditures approximately \$19.3 million is budgeted in 2017 for ***Employee Compensation & Benefit Costs***. This represents a percentage of approximately 71.3% of total expenditures.

General & Highway Expenditures by Type



**** Employee expenses include Annual Salary, Overtime, Other Compensation Cost, Pension, Health Benefit Costs, Workers Compensation, FICA/Medicare/MTA Tax**

BUDGET DRIVERS/HIGHLIGHTS

- **Employee Benefit Costs:**

- * Health Insurance Costs continue to increase...currently budgeted at 11% increase.
- * Pension Contributions increased slightly (ERS 15.9%, PFRS 24.7% of salary)
- * Workers Comp Rates is estimated to increase 6.5% above the 2016 actual numbers.

- **Salaries/Benefits increased** due to CSEA/IBT Union Contracts Settlements. Negotiations ongoing with PBA - expired 2014 and Lieutenants - expired 2016. Continue to budget salary increases for expired contracts.

- **Mortgage Tax Revenue** for FY 2016 is continuing to show signs of improvement with August monthly revenue at \$134,980. \$800,000 is budgeted in the 2017 Tentative Budget.

- **Revenues Increased 8% from prior year *which helped keep tax rate increase low:***

Mortgage Tax Revenue Increased 2017 Budget by \$100,000

Employee HI Contributions Increased 2017 Budget by \$165,000 (*due to union contract settlements*)

Court Fees/Fines Increased 2017 Budget by \$50,000

Cable Franchise Fees Increased 2017 Budget by \$50,000

Building Permit/Other License/Title Search Fees Increased 2017 Budget by \$20,000

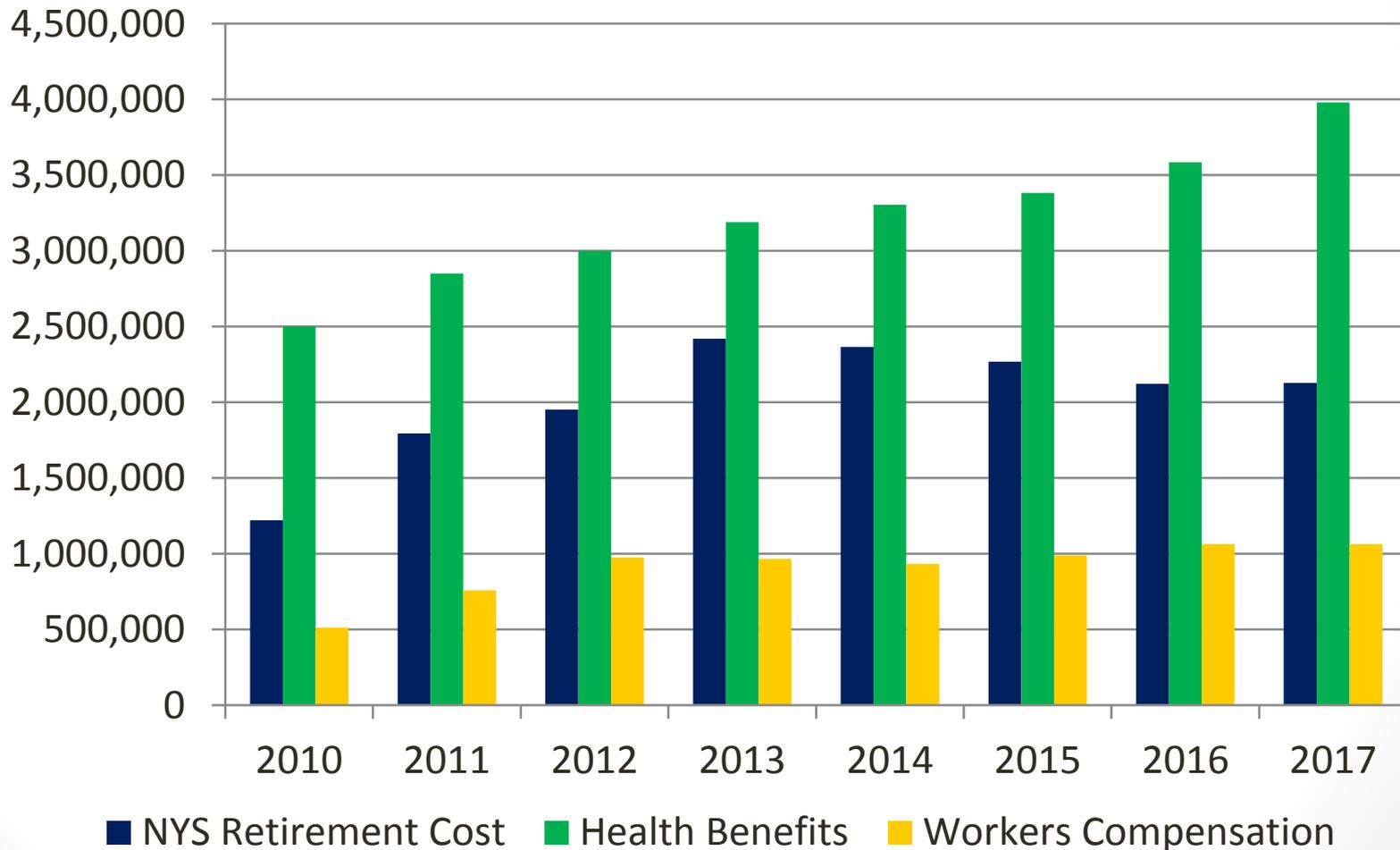
- **Technology upgrades** - \$55,000 is budgeted in the 2017 for technology upgrades. A fund is established for a future purchase of *data imaging equipment*.

- **Contingent Line** – Budgeted \$100,000. We also budgeted \$100,000 in the 2016 Budget which I recommend to be utilized to pay for the new Town of Carmel municipal phone system.

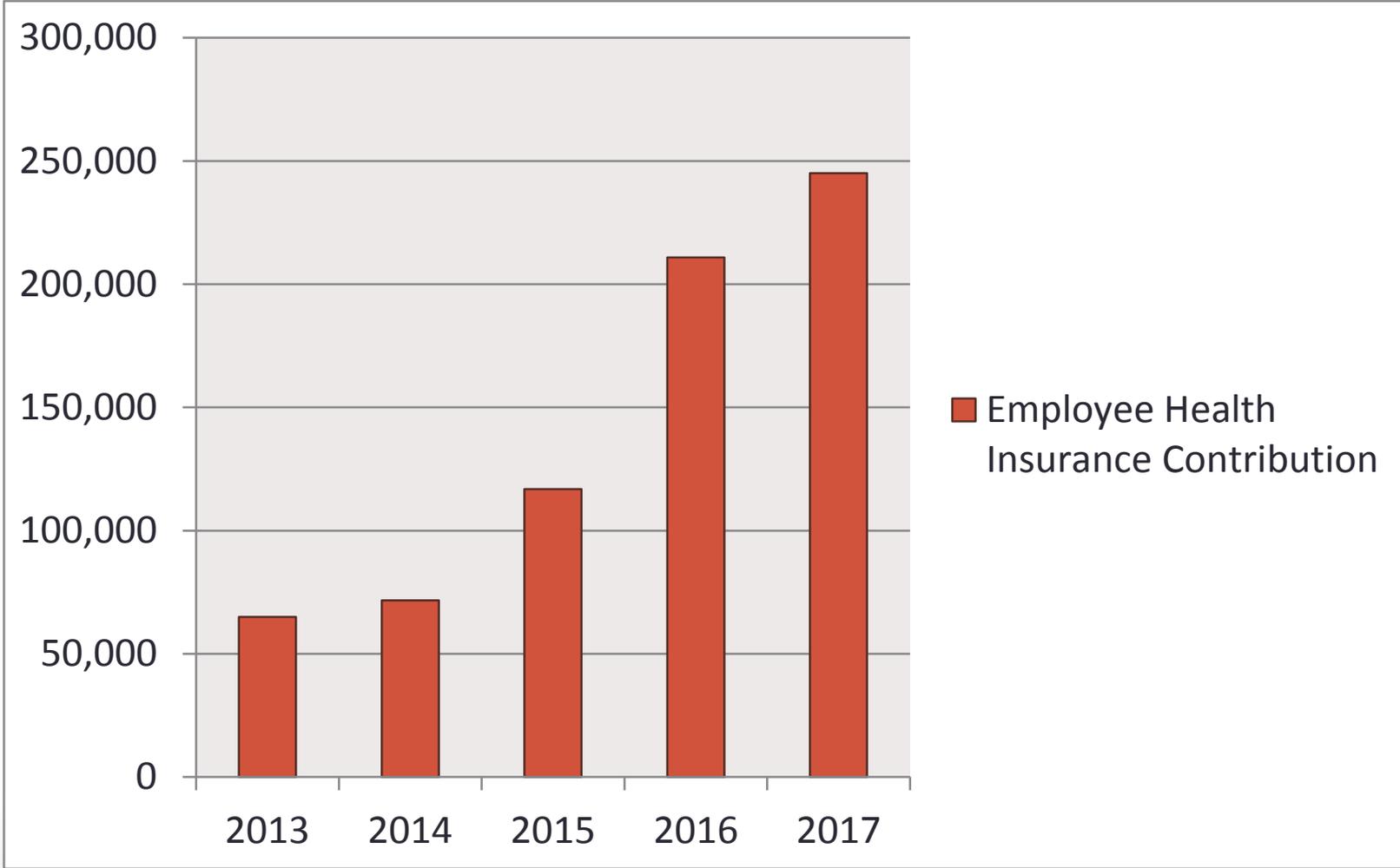
BUDGET DRIVERS/HIGHLIGHTS

- **Highway Fund** - Snow Materials remained the same as prior year. \$700,000 is budgeted in the 2017 Snow Budget for Materials. Also in Highway Fund \$150,000 is budgeted for Capital Machinery in an attempt to avoid capital borrowings.
- **Highway Snow Reserve Fund Balance as of 12/31/15 was \$450,000.** Due to mild winter (Jan-March 2016) we should be able to add to that at FYE 2016 due to surplus balances in OT, fuel and snow materials expense.
- **Townwide Reassessment Project** – In years 2014 – 2017 (tentative) the Town budgeted \$150,000 each year to cover cost of the Townwide Reassessment Project. We also have approximately \$500,000 in reserves to fund this project also in an attempt to avoid borrowing.
- **New Debt Service** – 2017 New Debt Payments from Highway Drainage, Resurfacing and Machinery. Also New Capital Debt in the following special districts (CSD #1, CSD #3, CSD #7) Required interest payments on debt will begin October 2017.
- **CSD #5** will also see a special district tax increase due to a possible WWTP upgrade.
- **Capital Debt “Long Pond Road Improvement District”** – Taxpayers in this district will pay principal/interest on this capital debt in 2017.

Employee Benefits Cost Increases 2010-2017



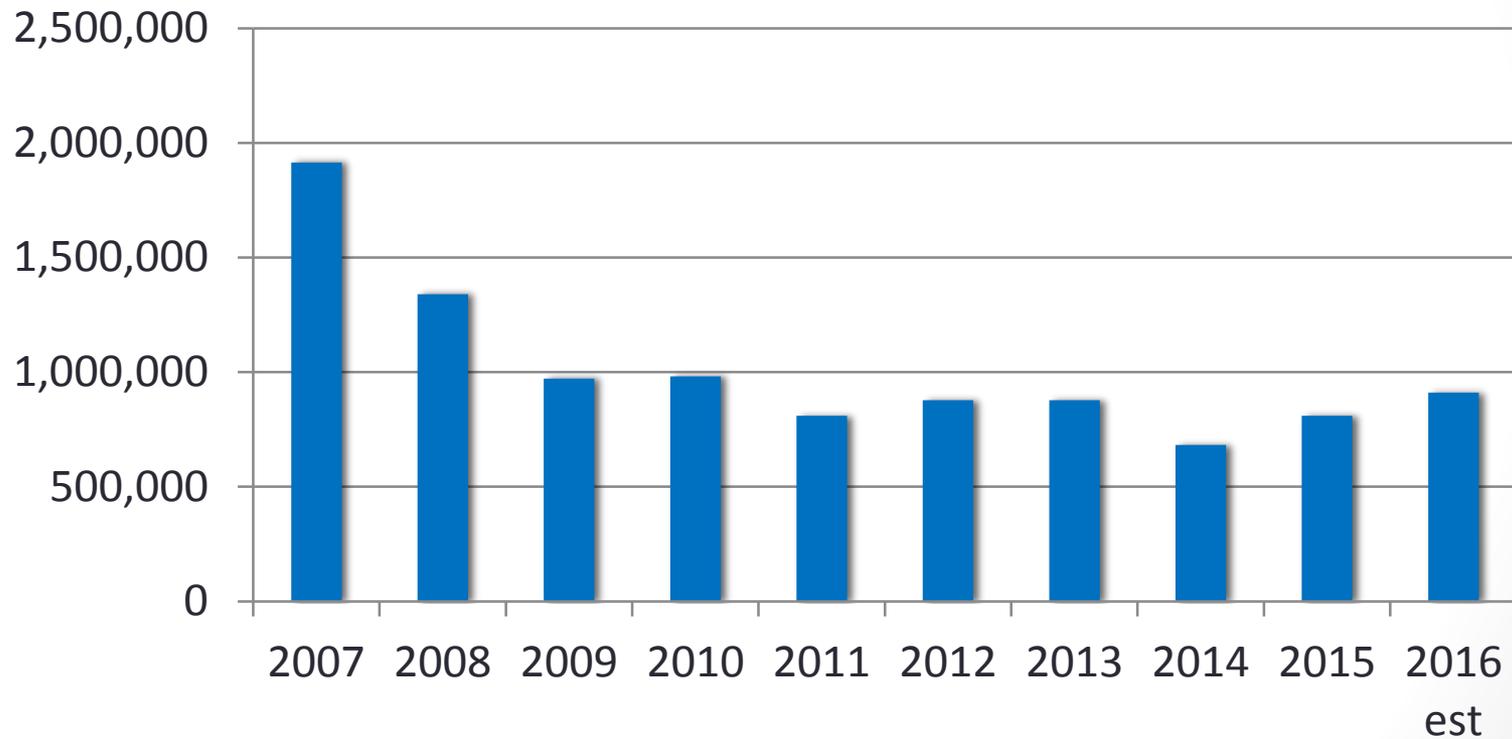
Employee HI Contributions



Mortgage Tax Revenue

10 Year History

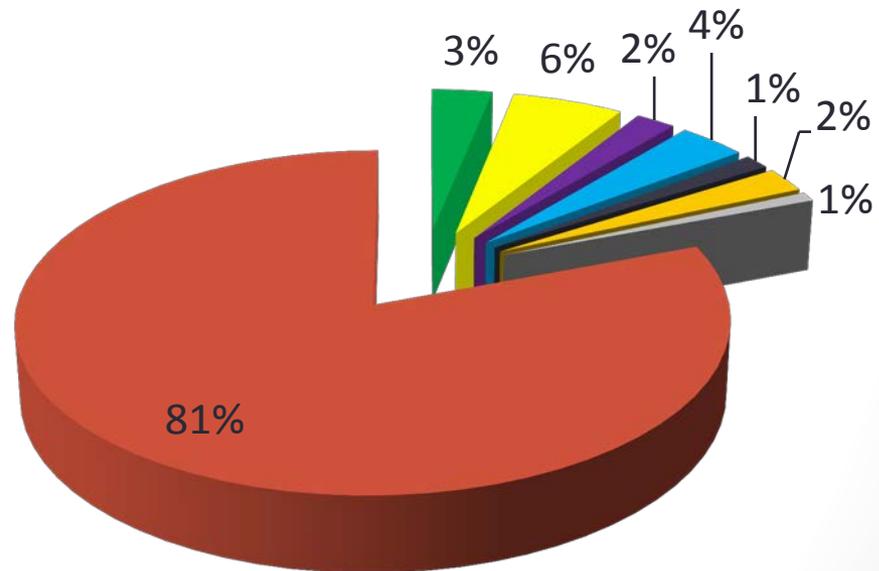
Years 2007-2016



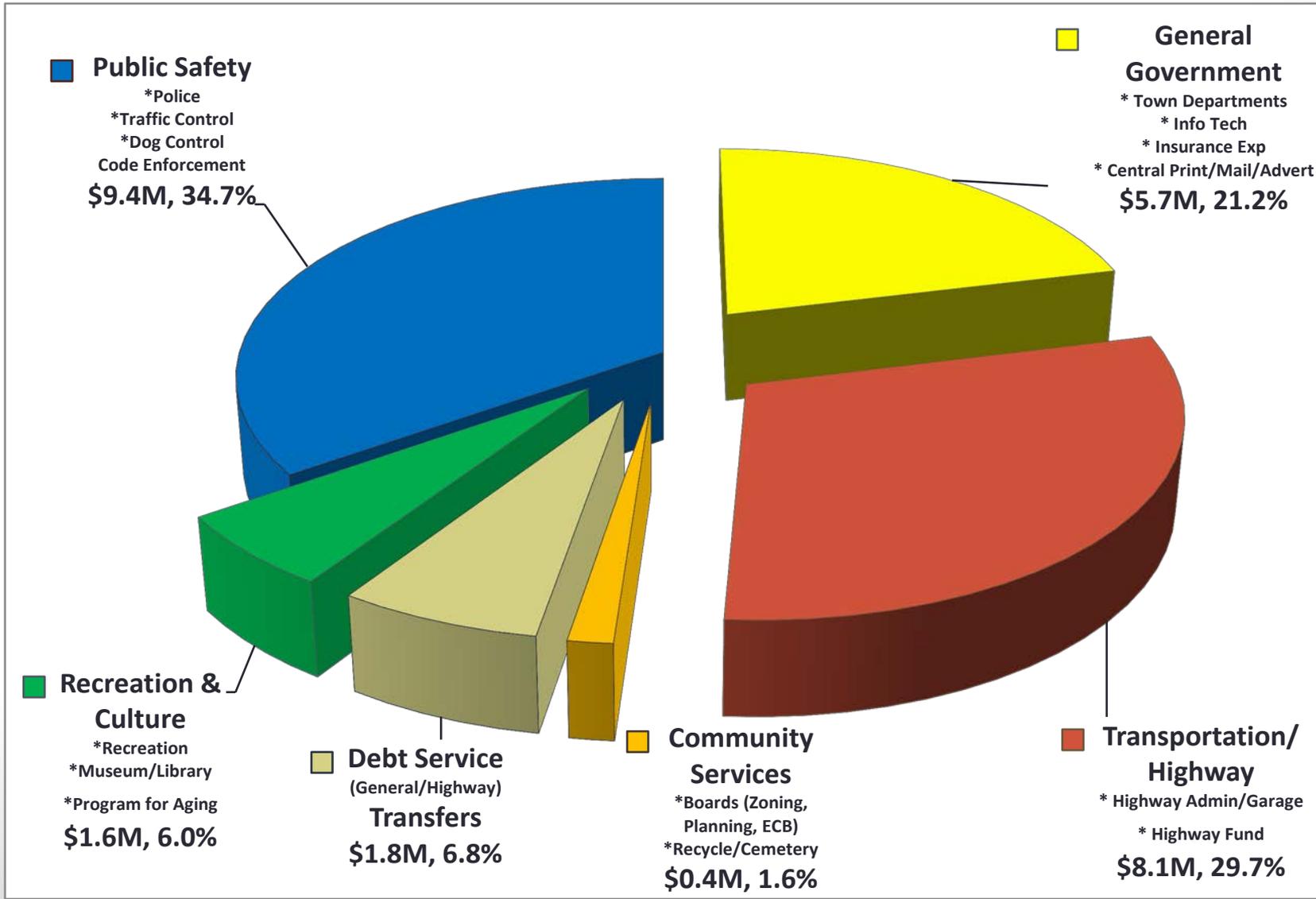
Townwide Budgeted Revenues for Fiscal Year 2017

2017 Budgeted Revenues \$27,300,382

- 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

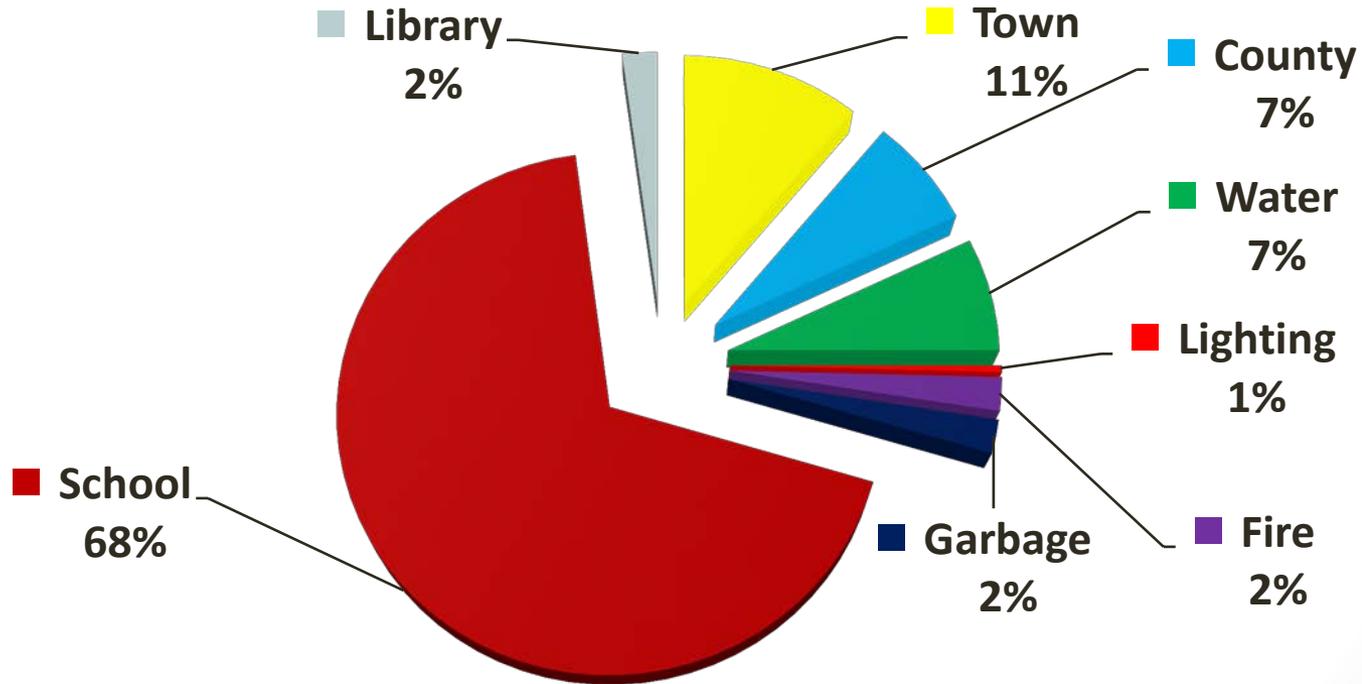


Townwide Budgeted Expenditures for Fiscal Year 2017



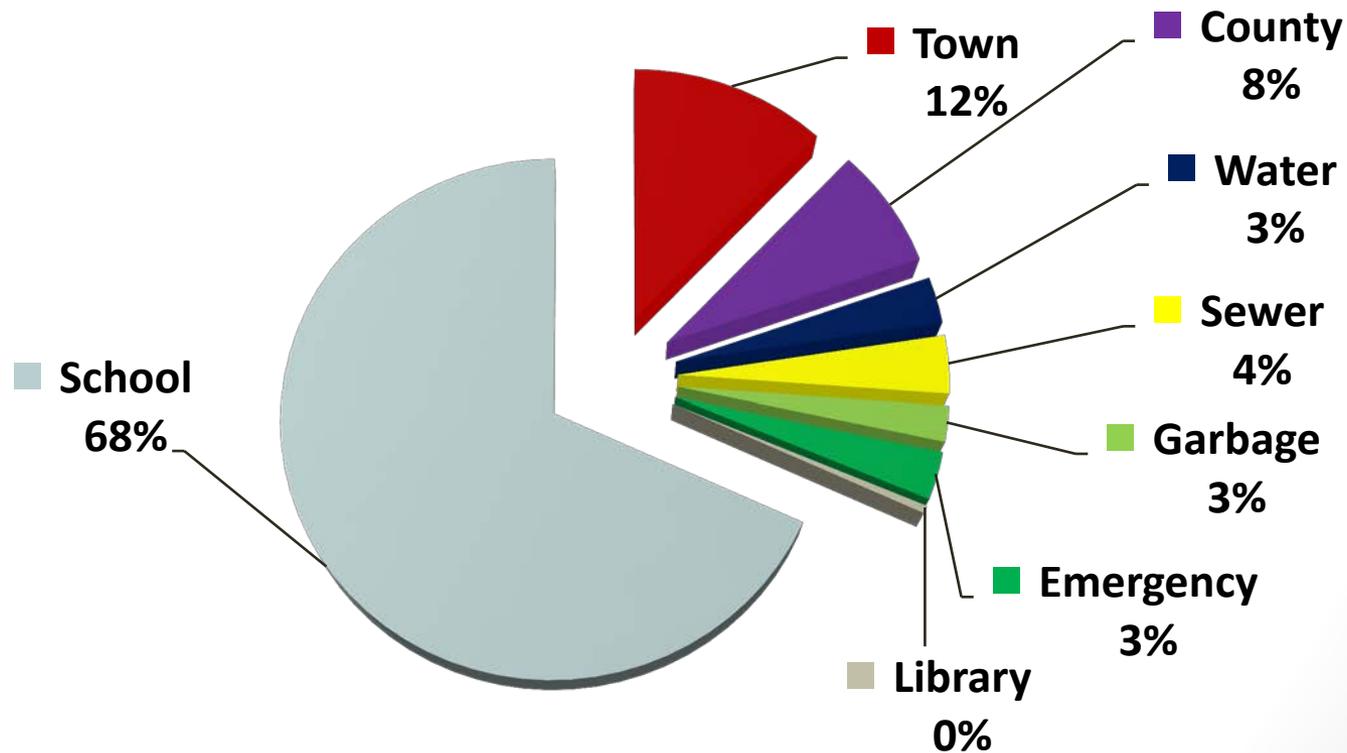
Total Tax Bill for Taxpayer in Mahopac Central School District

Total Tax Bill of a \$220,000 Assessed Value;
Total 2016 Taxes – \$12,365



Total Tax Bill for Taxpayer in Carmel Central School District

Total Tax Bill of a \$173,100 Assessed Value;
Total 2016 Taxes – \$11,747



Questions/Answers

- If anyone has any questions or concerns regarding the 2017 Tentative Budget 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