



The Town of East Greenbush

SUPERVISOR'S OFFICE

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TO: Honorable Members of the Town Board
FROM: Jack Conway, Town Supervisor
RE: 2022 Tentative Budget Message
DATE: October 4, 2021

It is my privilege to present to you the Town of East Greenbush's Tentative Budget for 2022. I believe it's a fair document that will allow us to effectively provide essential Town services while maintaining an approach that is fiscally prudent and safeguards the use of taxpayer funds. Revenue projections are conservative while expenditures are carefully calculated to ensure the continued delivery of essential services. The 2022 Tentative Budget contains a tax increase of 1.5%. The amount of total taxes to be levied is \$9,313,894. The tax levy has been held relatively constant for the General Fund with a modest increase of 0.38% while the Highway Fund levy is increased by 2.51%. The tax levy in this budget is \$281,310 (2.93%) below the New York State Property Tax Cap.

Although we continued to project revenues conservatively, this budget projects a 6.06% increase in overall revenues. Much of this increase concerns our projections for sales tax which we have raised from \$2,200,000 in 2021 to \$2,550,000 in 2022. This increase of 15.9% is due to the fact that we projected low for 2021 due to Covid; our actual sales tax figures not only didn't see a Covid decline but in fact continued to increase. In discussions with the County they recommended that we project \$2,800,000 in sales tax revenue for 2022 but we have continued our practice of projecting revenue conservatively.

We have not included the American Recovery Plan Act (ARPA) funds in this budget. Our reasoning is that this is not guaranteed money but funds that must be reviewed and approved for eligibility under the program guidelines. We'll fulfill all reporting and compliance obligations for the ARPA funds, and will provide the Town Board with regular updates. The Town Comptroller has been tasked with researching and analyzing the rules and regulations for a program that is still in development.

Our two biggest unions, Council 82 for Police and CSEA for DPW, have contracts that expire on December 31, 2021. Negotiations are planned to begin soon for both unions. In terms

of personnel, the biggest changes are planned in the Department of Public Works. We have restored the position of Deputy Commissioner of Public Works as a full-time position, and have made allowances to retain Scott Gallerie as a consultant on highway issues. We have also added two positions in DPW, one for a third person to work in the Parks Division and another for a Highway employee who will be assigned to the Commissioner of Public Works to focus on beautification projects.

The **highlights** of the 2022 Tentative Budget include:

- An increase in the tax levy of 1.5%;
- The inclusion of the new (in 2022) Consolidated General Sewer District. Historical data is provided for the four outgoing sewer districts but 2022 projections are for the single district;
- The addition of two full time positions in the Department of Public Works, one in Highway and one in Parks to assist with maintenance of the Empire State Trail, the rapidly expanding sidewalk inventory (including the new sidewalks on Columbia Turnpike), increased investment in the Town Park, and beautification projects;
- A Funds Balance Analysis page that accurately reflects the strong financial position of the Town and includes a detailed look at the role of GEIS funds in funding Town projects;
- Removal of the Best-Luther and 3rd Avenue Fire Protection districts from the Town's tax cap with the establishment of the Best-Luther Fire District. Best-Luther Fire #2 is now included on page 3 with "Memo Items Not Controlled by Town Board;"
- Separate funding and accounting for our Municipal Separate Storm Sewer Systems (MS4) program and \$100,000 for slip lining of storm drains;

The 2022 Tentative Budget also includes **funding** for:

- Maintenance of the Empire State Trail;
- The Hampton Lake Loop project;
- Assistance for Greenbush Cemetery in the amount of \$10,000;
- The next phase of the update of the Town's Comprehensive Plan, Zoning Map and GEIS document;
- A total of \$538,500 has been allocated for paving projects;

A number of factors posed **challenges** in arriving at this budget, including:

- The substantial long-term debt service obligations arising primarily from borrowings from the Rensselaer County Water and Sewer Authority (RCWSA) and the Environmental Facilities Corporation (EFC) will hamper budgeting efforts in the near and long terms;
- The rising cost of medical insurance for retirees and current employees. We're projecting a 8.9% increase in medical insurance for employees;

- The rising cost of the Town's municipal insurance. We're projecting a 5.6% increase in the cost of municipal insurance in 2022;
- Continuing concern about the effect of Covid-19 on Town operations, including the possibility of shutting Town Hall for a period of time;
- The consolidation of the four sewer districts into one Consolidated General Sewer District created some difficulty in presenting this budget so we have included the four soon-to-be abolished sewer districts for historical reference while adding a new page for the consolidated district; and
- Increase in energy and recycling costs.

We have included copies of the individual department budget requests to facilitate your review and analysis of the Tentative Budget. This budget was prepared by a team consisting of the Town Supervisor, the Director of Finance and the Town Comptroller. Meaghan Hart, George Phillips, and Colleen Lallier worked hard to assist in the preparation of the Tentative Budget.

We are available to meet with individual Town Board members at your convenience to review and explain the assumptions and methodologies used to arrive at our final figures. I look forward to working with you on the Preliminary Budget.