

TO: Honorable Members of the Town Board
FROM: John J. Conway, Town Supervisor
RE: 2020 Tentative Budget Message
DATE: October 1, 201

It is my privilege to present to you the Town of East Greenbush's Tentative Budget for 2020. 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 2020 Tentative Budget contains a tax increase of 1.64%, all of which will be dedicated to road paving. The amount of total taxes to be levied is \$9,328,232. The tax levy has been reduced for all special districts and the General Fund but the tax levy in the Highway Fund is increased by 9.84%. Overall this budget is \$202,982 (or 2.13%) below the New York State Property Tax Cap.

The highlights of the 2020 Tentative Budget include:

- No reduction in essential services and a significant increase in funding for paving projects;
- One new full-time position to hire an additional Planner and one new part-time position added to hire a Purchasing Clerk;
- 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;
- Decrease in the tax levy for the General Fund and all special district funds, offset by a nearly 10% increase in the tax levy for the Highway Fund;
- Reduction of \$389,000 in debt service on the Wastewater Treatment Plant due to bringing the final phase of the project in under budget;
- Double digit increases in the contract amount for the Best-Luther and 3rd Avenue Fire Protection districts;
- Salary increases for the Town Supervisor and Members of the Town Board.

The 2020 Tentative Budget includes funding for:

- A major Road Paving Initiative; this budget commits \$500,000 to road paving projects;
- Research and develop a Veteran's Flag Program that will consider the best ways to honor our Veterans in public spaces, whether as banners on a flag pole or in innovative ways in other public spaces;

- Improvements to the exterior and interior of Town Hall as we continue to promote the idea that we need to be part of the revitalization of Columbia Turnpike;
- The next phase of the update of the Town's Comprehensive Plan, Zoning Map and GEIS document;
- A landscaping program for the front of the Wastewater Treatment Plant;
- Information Technology (IT) upgrades: Windows 7 reaches the end of its life in January 2020; the transition to Windows 10 includes the upgrade and replacement of 28 computers;
- Consolidation of the four sewer districts into one Consolidated General Sewer District.

A number of factors posed a challenge in arriving at this budget, including:

- The rising cost of health insurance for retirees and current employees although our known costs for next year have increased less than in years past and there will be no increase at all in the CDPHP Medicare Advantage Plan;
- The rising cost of the Town's municipal insurance;
- The need for additional staff in several departments including Police, Department of Public Works (especially Highway and Parks), and Building Department. These needs could not be addressed in this budget but will have to be faced in the short term;
- Agreements that have been reached with the Emergency Communications union and CSEA (DPW); members of those unions will have a 1.5% salary increase in 2020;
- Increase in energy costs.
- 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.

Analysis conducted during the budget process revealed two structural deficiencies in the provision of services. Both the Transfer Station and Summer Camp are operating at significant deficits. Rates will have to be raised for both and we'll circulate a good deal of information as we approach those decision points.

The raises that are proposed for the Town Supervisor and Members of the Town Board are based on an analysis of the salaries for these positions since 2005. The current salary for the Supervisor of \$70,000 was set in 2008 and hasn't been increased in eleven years. With the rapid growth of Regeneron, and the fast pace of development in Town, the job has changed significantly and the proposed salary increase for the Supervisor (from \$70,000 to \$85,500) is reasonable. In a similar vein, the salaries for Town Board members was \$14,000

in 2008 but was reduced to \$10,000 in 2010 when the Town's financial problems seemed insurmountable. The Town is now in sound fiscal shape and the workload of a Councilor has increased significantly. Thus I am proposing an increase from \$10,000 to \$12,500 in annual salary.

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 and George Phillips worked extremely hard to assist in the preparation of the Tentative Budget. We're planning to do a Budget Workshop at the October 9th Pre-Board meeting.

We are available to meet with 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.