

**VILLAGE OF  
MILLBROOK**

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## CONTACT ME

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**Phone:** 845-677-3939 option 5

## 2021-2022



## MAYOR TIM COLLOPY

Hello and welcome to my April 2021 Newsletter. This month I am focusing exclusively on the annual budget prior to the public hearing on April 7th at 6PM (via Zoom only, due to COVID safety protocols).

# April 2021

## INTRODUCTION

One of the most important responsibilities of the Board of Trustees is to set the annual

budget for the next fiscal year (FY). As is true of all villages in NYS, our FY runs from 6/1 to 5/31 of the following year. To prepare and mail tax bills by 6/1, the budget needs to be approved by the board by 5/1 and there must be a public hearing of the budget by 4/15.

In the Village of Millbrook our budget consists of 3 funds: General (A-fund), Water (F-fund) and Sewer (G-fund). Each of these funds is stand-alone which means that all expenses associated with the operation and administration of the water system are paid from revenues received from the water-portion of your water and sewer bills. Likewise, all expenses associated with the sewer system are paid from the revenues received from the sewer-portion of your water and sewer bills. All expenses in our A-fund (highway, police, fire/rescue, front office) are paid by the tax levy on village properties plus revenues from various other entities (town, county, state, rentals, fees, ...). Roughly 50% of the A-fund revenue comes from the tax levy.

## **FORMAT & DEFINITIONS**

To review the latest spreadsheet of our proposed budget for the upcoming fiscal year (FY2021-2022), visit our website and locate the minutes of the 3/31 Trustee meeting. The report is organized in the following fashion: A-fund, F-fund, G-fund. Within each fund, revenues are listed with line-item detail followed by expenses.

Some abbreviations in the spreadsheet:

**PS** = personal services (salaries)

**CE** = contractual expenses (e.g., phone, internet, copier lease, fuel, ...)

**EQ** = equipment purchases

**CHIPS** = Consolidated Local Street and Highway Improvement Program (NYS grants for road replacement)

**AIM** = Aid and Incentives for Municipalities (a portion of NYS tax that flows back to municipalities)

## **BACKGROUND ISSUES AS WE STARTED THE BUDGET PROCESS FOR FY2021-2022**

We went into this budget process with 3 carryover issues from prior budgets. The 1st issue is that the A-fund finished FY2019-2020 with \$100K more expenses than revenues. To reconcile this gap, money was moved from the unrestricted fund balance leaving less than \$100K in reserve. This prompted the NYS Controller's Office to drop our fiscal stress rating from No designation to Susceptible fiscal stress.

The 2nd issue is that the current budget (FY2020-2021) included neither sufficient budget for base hourly wages of police and highway personnel nor estimated overtime for such things as snow plowing, extra police coverage or off-hours clerk duties. There were also some unrealistic estimates for the costs of social security contributions, NYS retirement contributions and attorney fees. When we realized these problems with the current budget, we put controls on non-emergency overtime and cut or deferred expenses where possible.

The 3rd issue is that FY2019-2020 finished with the F-fund owing the A-fund \$50K and the G-fund owing the A-fund \$60K (fund-to-fund borrowing is allowed but must be repaid within 2 years).

## **NEW ISSUES FOR FY2021-2022**

In addition to the carryover issues listed above, we identified some new issues that needed to be addressed in the budget for FY2021-2022. The 1st new issue is that 4 annual loan payments totaling \$33K begin in FY2021-2022 for last year's purchase of a new police vehicle and dump truck.

The 2nd issue is that the firehouse needs a new roof, and because of the shallow slope and lifetime warranty, the fire company has proposed a steel replacement for which they will pay 50% if the village/town pays the remaining portion (\$55K, spread over 3-4 years).

The 3rd issue is that with the imminent transfer of the Thorne building and property to the LLC, the village will no longer receive payments from the Thorne Trust which total ~\$25K/year.

The 4th issue is the implementation of the state-mandated Police Reform and Modernization plan which requires additional costs for training and administration within the police department.

And the 5th issue is that realistic assumptions about expected overtime costs for highway, police & front office personnel add \$44K to the new budget.

## **KEY ACTIONS FOR FY2021-2022**

In addition to scrubbing each budget category line-by-line, there are 4 actions we've taken to improve the health of the village finances.

1st we have a plan to repay monies owed to the A-fund from F- and G-funds by 7/2021 which will increase our fund balance and address our fiscal stress rating. Future actions will work on further increasing the fund balance to an eventual goal of ~\$500K.

2nd we have started reserve funds for both F and G budgets to prepare for future capital improvements of both the water and sewer operations.

3rd we have frozen for the next year payments to A-fund reserve accounts for ambulance, highway vehicle, police vehicle and village hall restoration.

And 4th we have set the budget Contingency to \$0. Overruns in any budget area will be compensated by reductions in other areas of the budget.

## **OVERVIEW OF BUDGET CHANGES FROM FY2020-2021 TO FY2021-2022**

The A-fund budget (both expenses and revenues) increase \$55K to \$1.94M (+2.9%) and the tax levy increases \$58K to \$1.03M. This is a 6% increase in your village tax bill for the reasons listed above (with more details provided below).

The F-fund budget increases \$34K to \$329K (+12%) to payback the \$50K owed to the A-fund, cover the long-term debt obligations from the water filtration and water tower upgrades, and establish a reserve for future capital improvement activity.

The G-fund budget increases \$62K to \$351K (+21%) to payback the \$60K owed to the A-fund, cover increasing maintenance and repair of the aging sewer plant infrastructure, and start a capital reserve for future infrastructure improvements. To cover these increased expenditures, effective 4/2021 the sewer-portion of your water and sewer bill is increasing 16% and we are raising the sewer Special Benefit Assessment \$10K.

## **TOP EXPENSE CATEGORY INCREASES**

The largest year-to-year increase was in the police budget which grew \$47K (29%) to account for shift coverage/overtime expectations, the new police vehicle, increases in the police retirement contribution, and additional training and administration from the Police Reform & Modernization actions.

Contributions to NYS retirement (non-police) and social security increased \$9K and \$15K respectively because of unrealistic assumptions in the prior budget.

Projected attorney fees were increased from \$10K to \$25K to better reflect current actuals and expected FY2021-2022 attorney costs.

The budget for street repair/maintenance increased \$13K to include estimated overtime due to off-shift snow plowing (based on current year actuals).

The budget for 24/7 ambulance service from NDP increased \$10K per contract.

The budget for the clerk and deputy clerk increased \$10K to account for expected overtime.

The garage budget was increased \$10K to cover what portion of the new dump truck loan couldn't be contained by other cuts.

These 7 categories account for ~\$130K of increases in the budget which were offset by ~\$70K of expense reductions elsewhere, leaving a net increase of ~\$60K in the tax levy.



**21**  
**APR**

#### **NEXT BOT MEETING**

Visit our [calendar](#) for updated meeting and event information.

## **BUDGET**

**Public Hearing:** Wednesday, April 7, 2021 at 6 PM

## **BOARD**

Due to the budget schedule, the next Board of Trustees meeting will be Wednesday, April 21 at 6 PM

## **QUESTIONS OR COMMENTS**

I encourage you to review the details in the [latest spreadsheet](#) which is on the [minutes page](#) of the village website.

Please contact me directly at [villageofmillbrookmayor@gmail.com](mailto:villageofmillbrookmayor@gmail.com) or join the public hearing via [zoom](#) on April 7, 2021 if you have questions or comments. Email Sarah Witt, Village Clerk, at [clerk@villageofmillbrookny.com](mailto:clerk@villageofmillbrookny.com) for meeting ID & passcode.

Thanks,

Tim Collopy

Mayor

Village of Millbrook

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